Business law in Sultanate Oman

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Authorship	Dr. Osman Ahmed Osman Aloub
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zahma book publishing house

Facebook za7makotab
Email za7ma-kotab@hotmail.com
Tel 002 01205100596
002 01100662595



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Dr. Osman Ahmed Osman Aloub

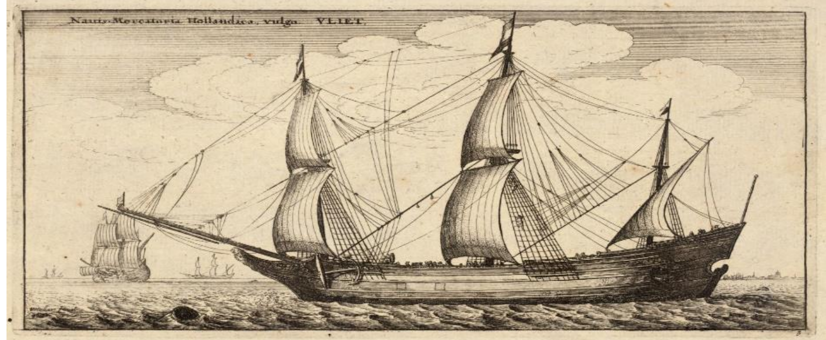
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Introduction

The idea of preparing this book started during teaching the students of Business Colleague at Al-Buraimi University, which is a collection of lectures the main purpose of which was to provide information and basic commercial legal rules in accordance with the Omani legal system and international trade agreements for students. Accordingly, the book did not expand on the topics addressed to the students of the Faculty of Law, but it was aimed at the explanation of the basic principles and general rules of the trading system so that the students of Business Colleague can learn about it and form an idea. In general, it assists them to understand the Omani and international commercial legal system in general and qualifies them to deal with corporations, companies, commercial banks, governmental and non-governmental entities, and national and foreign investment entities related to business within Oman and abroad. In this book, is an attempt to provide a simple language that makes it easier for the students to understand the required legal scientific information while avoiding complexity or ambiguity and keeping it aligned to the plan and

map of teaching this course in the program of Business Colleague.

Since Islamic jurisprudence (Sharia) is the main source of legislation in The Sultanate, it is highly significant to study the important legal rules and compare them to the principles of Sharia and clarify the legal circumstances in each case.

The book contains an explanation of the most important legal texts governing business in the Omani system. Those legal texts are separate provisions found in (18) eighteen laws related to business issued on the basic regulations of Oman (Constitution), which was issued by Sultan's Decree No. 101 of 1996. These laws are the following:

1- Omani Trade Law issued by Sultan's Decree No: 55 of 1990.

2- Bankruptcy Law issued by Sultan's Decree No: 53 of 2019.

3- Commercial Register Act issued by Sultan's Decree No: 3 of 1974.

4- Arbitration in Civil and Commercial Disputes Act issued by Sultan's Decree No: 47 of 1997.

5- Commercial Companies Act issued by Sultan's Decree No: 18 of 2019.

6- Civil and Commercial Procedures Act issued by Sultan's Decree No: 29 of 2002.

7- Financial Law issued by Sultan's Decree No: 47 of 1998.

8- Electronic Transactions Act issued by Sultan's Decree No: 69 of 2008.

9- The Law controlling the signing of internal and external financial transactions issued by Sultan's Decree No: 48 of 1976.

10- Civil Transactions Act issued by Sultan's Decree No: 29 of 2013.

11- Tender Law issued by Sultan's Decree No: 36 of 2008.

12- Public corporations and Institutions Act issued by Sultan's Decree No: 116 of 1991.

13- Commercial Agencies Act issued by Sultan's Decree No: 26 of 1937.

14- Industrial Property Rights Act issued by Sultan's Decree No: 67 of 2008.

15- Foreign Capital Investment Act issued by Sultan's Decree No: 50 of 2019.

16- Capital Market Act issued by Sultan's Decree No: 80 of 1998.

17- Trademarks Regulation of the Gulf Cooperation Council (GCC) Act issued by Sultan's Decree No: 33 of 2017.

18- Oman Chamber of Commerce and Industry Act issued by Sultan's Decree No: 45 of 2017.

The book is divided into the following sections:

1- Section (I): Three chapters including: Definitions, the legal schools, the sources of law, and the main principles of law.

2- Section (II): Three chapters including: Marine Sales, carriage contracts, commercial guarantee, types of commercial agency, Bank operations, and Commercial papers.

3- Section (III): Two chapters including: Bankruptcy and protective reconciliation and Company Law.

4- Section (IV): Three chapters including: Commercial Registry, Capital Market Law, Commercial Agencies, provisions for the signing of foreign and internal financial transactions, and Tender Law and foreign investment rules.

5- Section (IIV) One chapter: Business in Islamic Law.

The objectives and outcomes achieved (according to the expected measurement) after studying this book are:

1- The components and principles of Oman's commercial legal system and its relationship with the international and regional trading system.

2- International trade customs and the provisions of relevant international trade agreements.

3- Distinguishing between business and other civil works.

4- The definition of the trader, including the legal conditions of the trader that distinguish him from other professions and crafts.

5- Actions attached to business - business by accessories - and its provisions.

6- Knowing the trade name and its provisions and how to register it.

7. Provisions for illegal commercial competition.

8- The provisions of commercial sale and fraud in the disposal of goods.

9- Ruling on the sale of stolen or lost funds.

10- Ruling on not delivering the goods on time or delivering goods that differ from what is agreed on, in quantity or item.

11- Ruling on examining the sale, holding it and destroying it during the time of detention, and not paying the price at the agreed time.

12- The provisions of selling in installments.

13- Types of marine sales (F.O.B, C.I.F. and F.A.S) and their legal provisions.

14- Provisions of transport contracts (sea, land and air).

15- Types of commercial agencies (contract agency and agency by commission) and their legal provisions.

16- Types of bank operations (cash deposit - securities and commercial papers (instruments) deposit, storage lease, documentary credit contract, bank guarantee letter, current account opening) and their applicable provisions.

17- Types of commercial papers (bill of exchange, the promissory notice (bond for order) and check) and their general legal provisions.

18- Bankruptcy provisions and bankruptcy reconciliation.

19- The three types of bankruptcy (real, default, fraudulent) and their practical applications.

20- Ruling on declaring bankruptcy and its consequences.

21- Company governance and its objectives.

22- Types of commercial companies allowed to be established in Oman.

23- How to register companies and their purposes (objectives), nationalities and legal personality.

24- Mergers, dissolutions and liquidations of companies.

25- The work of the liquidator of companies and his functions.

26- The General Assembly of the company and the Board of Directors of the company and their tasks.

27- Holding company and subsidiaries and their objectives.

28- Commercial register and the purpose of its establishment.

29- Capital Market (Muscat Stock Exchange) and its operating rules and objectives.

30- The provisions of regulating the trading and dealing of securities in Oman and ways to register them and transfer their ownership.

31- The provisions for the signing of external and internal financial transactions for contracts and obligations concluded in the name of His Majesty (the Sultan) or on behalf of the Government of Oman or any of the ministries or other government units.

32- Provisions of general tenders for contracting supplies or carrying out works or transporting or

providing services, consulting studies and technical works or buying and renting real estate to all government units in Oman.

33- The provisions of the investment of foreign capital in Oman, the definition of foreign investor, and the facilities and privileges provided to him

34- The ruling of business in Islamic Law.

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Section (I)
Definitions of law, the legal Schools, the Sources and the Main Principles of Law

Chapter (i)
Definitions of law, and the Legal Schools

Branch (1): The definitions of law

The term law is derived from the Greek origin (Kanun), meaning stick, and this term is used to denote a set of concepts such as straightness and integrity. Hence, the law has become a criterion for determining the deviation of individuals from the straight path, which contributes to the balance of society and regulates relations between individuals.

Law consists of a set of legal rules, and it is important that the legal rule be binding on all, i.e. it is not permissible to tamper with it or change it. The installation (construction) of the legal rule is linked to a penalty in which individuals are punished, and the main objective of this penalty is to compel all individuals to respect the law and to avoid overcoming it under any circumstances.

Some Jurist's Definition of Law:

The definition of "law " has posed a problem for the jurists for a long time and they have reached no consensus. Some have defined it from the point of view of its origin, some from the point of view of its use, some from the point of view as to how the court pronounces it, while others as to how it exists .

For the layman, law is a rule of action to which men are obliged to make their conduct conformable; a command enforced by some sanction to act or forbear.

Law as Defined by Various Jurists:

A- Austin: In his view, a law is the most general and comprehensive acceptation, in which the term in its literal meaning is employed as a-

"rule laid down for the guidance of an intelligent being by an intelligent being having power over him."

B- Salmond: "Law is the body of principles recognized and applied by the state in the administration of justice, as the rules recognized and acted on by Courts of justice. "Law is not right alone or mere duties, but a perfect combination between the two".

C- Savigny: "Law is a product of peoples' life …it is the manifestation of its spirit, i.e., the nature of system

of law was a reflection of the spirit of people who evolved it".

D- Roscoe Pound: "The law is an ordering of conduct so as to make the important goods of existence and the means of satisfying claim go round as far as possible with the least friction and waste."

E- Gray: He defined law as "what the judges declare."

Whatever be the definition of law, it is a social institution. It presupposes a society and how that society operates. Therefore, it must be such as to command social acceptance. There must be a state which makes law, recognizes it and sanctions it. Law and morality influence each other though one prescribes an external conduct and the other internal one.

F-Hart’s Concept of Law:

So much jurisprudential ink has been spilt trying to define law that the student may be surprised to find that Hart eschews this task. In his inaugural lecture published as “Definition and Theory in Jurisprudence”. Hart stated there is no definition of law or of a legal system as such in the concept. The aim is elucidation; that is, elucidation of concepts like rule and obligation, which have puzzled generations of legal thinkers. In his preface, Hart quotes J. L. Austin’s remarks that we may

use “a sharpened awareness of words to sharpen our awareness of phenomena”. This is the goal of (The concept of law).

G-The famous definition:-

Law is a set of rules; obligatory and abstract legal rules that organize the external human behavior. This means that law does not punish an internal intent or thinking.

Furthermore, law can be defined as a set of general and abstract legal rules aimed at regulating the behavior of individuals in a binding manner.

<u>Characteristics of Legal Rules</u>

A- legal rules are abstract and general:

- This means that laws must not be specific to a particular person and must be general as to be applied on anyone no matter who he is but sometimes there are some rules which are applicable to one person or group, e.g., traders.

B- Legal rules are social rules:

-This characteristic means that the legal rule organizes and regulates individuals’ behavior and their different relations with others.

C- Legal rule is an obligatory rule:

- This means that legal rules are binding in all cases and cannot be departed by agreement between the parties concerned.

D- The most important features of the legal rule

1- According to the form of the legal rule, law can be divided into written legal rules (legislation) and unwritten legal rules (customary law).

2- According to the substantive elements, of the legal rule, legal rules can be divided into substantive rules; which determine legal status rights and obligations, and procedural rules; which determine the legitimate procedures to defend (and/or) enforce these rights and obligations.

3- According to the compulsory nature of legal rules, legal rules are either imperative rules (individuals can not alter its effect by their agreement) or complementary rules (commands can be changed by individuals’ agreement).

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Branch (2): The Legal Schools

The legal schools differed according to their view of the sources of the law, and in this regard three theories have emerged:

<u>First: The Traditional School:</u>

This school appeared in the early 19th century, and was motivated by the promulgation of the French Civil Code known as Napoleonic law, which was considered as a holy book that was brought out for people to achieve justice among them.

This belief was sufficient in itself to compel the courts and jurists themselves to rely on the texts of the law absolutely.

They believe that the texts have included all the necessary legal rules, and it is enough for the jurist or the judge to review these texts and interpret them literally to reach the appropriate legal rule, and if he is unable to reach that rule, then he is wrong and he is not able to determine the will of the legislator and his intention.

One of the school's most prominent supporters is Digor, Bartan, Demolomb, Malafi, all of whom agree that legislation is the only source of law and that other false sources should be eliminated.

So, in the Traditional Legal School:

1- Legislation is the only source of law, and therefore it is imperative for the judge to adopt it as it is and without modification.

2- As long as the legislative texts cannot include all the particles, it is inevitable to resort to their interpretation, and here the function of the interpreter is limited to identifying the true will of the legislator at the time of putting the legislative text, not at the time of its implementation.

3- If he is not able to recognize the true intention of the legislator when developing the legislative texts, he should have assumed this intention presumably because the intention of the legislator, whether real or presumed, explicit or implicit, is the one that the judge must adhere to when resorting to the interpretation of the legislative text.

The criticism:

However, a lot of criticism levelled at this school cannot be avoided, especially since it considers legislation the only source of the law, although it is now recognized that there are other sources of law besides legislation.

In this context, the jurist Jenny described the traditional school method as a way of hindering the progress of the law and requires it to stay where it is, although it is planned that the law is a science like other social sciences that evolve and change with circumstances.

Second: The Historical School:

This school appeared in Germany by the jurist Savini, and is based on the basic idea that the legal rule is a continuous and connected product of the group, each legal rule is only a temporary expression of the needs of the social environment in which it is originated, and in light of the circumstances that necessitated its existence.

It follows that the rule of law, if established, is separate and dissociated from the will of the legislator; and unlike the Traditional School, it does not remain in contact with this will, but rather becomes its own entity related to the conditions of social life. The rule

may continue on its original meaning for a long period of time, and may bear new meanings different from the original meaning by virtue of the circumstances of social life, and the need to adapt the legal rule to this development.

The jurist Sally considered that the Traditional School far from the truth, and stressed that the idea of justice in turn is subject to development. It is imperative to find new solutions consistent with these new developments from its economic and social point of view.

Sally suggests excluding the traditional school and following a new method of interpreting the laws, based on the fact that the texts, as soon as they are issued by the legislator, go with the facts side by side. Hence, they are subject to the law of evolution and change, if they want to be interpreted not by the will of the legislator, but on the contrary, it is necessary to follow an objective method according to the dictates of taking the requirements of the situation into account in terms of time and place.

Therefore, Sally's method is based on neglecting the purpose of the legislator, even if he is explicit, as he considers that the law after its promulgation does not remain attached to the legislator, but belongs to the group that regulates its conditions.

Accordingly, the Historical School was able to avoid the flaw of the Traditional School by making the texts more flexible and sophisticated and adapted to the needs of society and what it needs after it was characterized by rigidity and lack of progress.

So, in the Historical Legal School:

1- The legal rule, if established, is detached from the will of the legislator and therefore does not remain in contact with these wills.

2- Achieving justice in itself and following an objective method that interprets the texts according to what they tend to take into account such as the requirements of the situation in terms of time and place.

3- The judge can look in his interpretation of the legal text to the meanings inherent in this text that are in line with development in order to be able to develop the legal basis without the need for continuous amendment of the legal text.

The criticism:

The fundamental criticism of this theory is that it has completely eliminated all the merits of the written law, especially when it considers that the legal texts, once they are issued, are separate from the will of the legislator,

This view will also lead to the control of the judiciary, as the judge can, under the guise of interpretation, resort to amending or repealing many legal texts, thus eliminating the qualities that must be available to the law of stability and non-exposure to change, and will also create a kind of confusion in legal transactions between individuals, in addition to violating the principle of separation of powers.

Linking the process of interpretation to the needs of the community at a given time leads to different interpretations of the same text, which leads to inconsistency and variation in the provisions of similar situations.

The comparison:

No	The aspect of comparison (The criterion)	The Traditional Legal School	The Historical Legal School
1	Country of appearance	French	Germany
2	The source of law.	Absolutely relying on the texts of the law.	It considers the legal texts, once they are issued, are separate from the will of the legislator, So it deals with all Sources of law.
3	The will of the legislator and the rule of law.	The will of the legislator remains in contact with	The rule of law, if established, is separate

		the rule of law and its text.	and dissociated from the will of the legislator, and therefore does not remain in contact with this will.
4	The school's methodology	They believe that the texts have included all the necessary legal rules, and it is enough for the jurist or the judge to review these texts and interpret them literally to reach the appropriate	This school follows a new method of interpreting the laws, based on the fact that the texts, as soon as they are issued, by the legislator go with the facts side by side, so they are subject to the law of

		legal rule.	evolution and change, if they want to be interpreted not by the will of the legislator.
5	The criticism	1- It considers legislation the only source of the law 2-It hinders the progress of the law and requires it to stay where it is.	1-The fundamental criticism of this theory is that it has completely eliminated all the merits of the written law. 2- It also leads to the control of the judiciary. 3- Violating the principle of separation of powers.

			4- Linking the process of interpretation to the needs of the community.

Third: Practical School:

This school tries to reconcile the foundations of both the Traditional School and the Historical School, based on the principles of free scientific research, and the French jurist François Gini, who is the true founder of this school.

One of the most important principles on which this school is based is to follow the legislator in situations where his will is clear.

As a result, the judge must first stick to the texts and interpret them according to the legislator's real will at the time they were placed.

This principle is consistent with the principles of the traditional school.

If the judge's interpretation of the provision on this basis does not lead to the application of the legal rule to the dispute presented, then the judge has to

reach the appropriate solution through looking for it in other sources of law, and here Jenny disagrees with the Traditional School that sees the need to seek the supposed will of the legislator.

In other cases, when the judge does not find a legal rule that can be applied to the dispute before him in any of the different sources of the law, the judge must follow Jenny's theory : The "Free Scientific Research", which means the judge returns to the essence of the legislation with its multiple natural or factual facts and historical and mental facts and idealism in each new matter, and therefore the achievement of justice can be achieved based on scientific bases and means and not hypothetical means. The jurisprudence of this school is the prevailing jurisprudence today because of its sound logic.

Thus, in the Practical Legal School:

1- A reconciliation between the foundations of the traditional school and the historical school.

2- The judge must first adhere to the texts and interpret them according to the true will of the legislator at the time of their drafting.

3- When the judge does not find a legal basis that can be applied to the dispute presented before him in any of the various sources of law he should follow (the method of Free Scientific Research).

4- It also eliminates the advantages of the written text.

The criticism:

This school has been criticized, just like the Historical School, that it also leads to eliminate the advantages of the written text, especially when there is no legal rule in one of the sources of law and thus resorting to the method of Free Scientific Research, which in this case gives the judge broad powers in the selection of solutions by estimating the economic, social, political and ideal factors that surround each issue separately.

In summary, we believe that sound (logic) means that the judge must adopt and combine the sum of the foundations of these theories because no one can deny that the will of the legislator is considered the truest expression of the conscience of the group at the time of its issuance, but at the same time, we recognize that the idea of justice is not a rigid idea but changes the circumstances surrounding societies.

If the consistency and lack of change in legal transactions are necessary for the proper functioning of the business, then it does not deny that the law changes to the extent that it is compatible with the environment of the society in which it functions.

The comparison between The Traditional Legal School
and The Practical Legal School:
Homework:

Number	The aspect of comparison (The criterion)	The Practical Legal school	The traditional Legal School
1			
2			
3			
4			
5			

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Chapter (ii)
Sources of law and the Main principles

Branch (1): Sources of law

According to Art.1 of the Omani civil transactions code issued by Royal decree No.29 of 2013.

Law has four sources as follows:

1) Legislation:

Legislation is a set of written legal rules issued by the competent authority in the state in order to organize certain matters.

2) The provisions of Islamic Jurisprudence:

Which means the legal practical provisions acquired from the detailed evidence.

3) The principles of Islamic law:

Which is the total origins of Sharia (Qur'an and Sunnah).

4) Customs:

Customs are a set of social rules that people used to follow, believing that they are obligatory.

Sections Of Law (Classification of law):

Public Law:

It is a set of legal rules which regulate the relations in which all or some of its parties are public legal persons.

Private Law :

It is a set of legal rules which regulate the relations between the private persons

No	Private Law	No	Public Law
1	Civil Law	1	Constitutional Law
2	Commercial Law	2	Administrative Law
3	Labor Law	3	Penal Law
4	Contracts Law	4	International Law (public and private).

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Branch (2):

The Main principles of law

1-The principle of non-retroactivity (non – retroactive effect of the law).

It means that no law may be applied to someone's act (or to a certain fact) if that law was not in effect at the time (he /she) did that act or the fact occurred.

2- The principle of proportionality:

It means that a public authority may not impose obligations on a citizen except to the extent to which they are strictly necessary for the public interest.

3-The Principle of Legality (legitimacy);

It means that nothing is a crime unless it is clearly forbidden in law. No crime or punishment can exist without a legal ground[1].

4-The Principle of Equality:

That means all persons are equal before the law, and no discrimination shall be made among them on any basis[2].

5-The Principle of the Rule of Law:

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[1] Look at Omani (constitution) the general rights and duties article (21).

[2] Look at Omani (constitution) the general rights and duties article (17).

To achieve and maintain, the rule of law, these elements should exist:

A-All persons and entities, including the State itself, are accountable to law.

B-All rules must consist with the international human rights standards.

C-Fairness in the application of the law.

D-Separation of powers.

E- Avoidance of arbitrariness.

IN the Basic Order of Oman (Constitution) issued by Decree No. 101 in 1996:

In Part II: The principles guiding state policy: The general rules of the economy are as follows:

Article 11 specified the economic principles of the state according to the following:

A- The national economy is based on justice, the principles of a free economy, and cooperation between public and private activity, with the aim of achieving development with a view to increasing production and raising the standard of living of the citizen.

B- The freedom of economic activity is guaranteed within the limits of the law in order to ensure the safety of the national economy.

C- Natural resources belong to the state. Public funds have their sanctity and the state should protect them.

d- Private property is protected by law, so no one is prevented from acting in his property. The property of any person is not expropriated except by law.

Citizens' General Rights and Duties

In the Third Section: The Omani (constitution) guaranteed the general rights and duties of citizens as follows:

1- In article (17) - Citizens are all equal before the law, and have equal public rights and duties, and there must be no discrimination between them on the basis of gender, origin, colour, language, religion, creed, homeland or social status.

2- In article (18) - Personal freedom is guaranteed in accordance with the law, and it is not permissible to arrest, inspect, detain, or restrict the freedom of residence or movement except in accordance with the law.

3- Article (19) - It is not permissible to subject any person to physical or moral torture, to temptation or to degrading treatment.

4- Article 21 - There is no crime and no punishment except on the basis of law. There is no punishment

except for an act that the law stipulates while previously criminalizing it

5- Article 22 - The accused is innocent until proven guilty in a legal trial in which he is guaranteed the necessary guarantees for the exercise of the right of defense.

6- Article 25 - The property of foreigners in the Sultanate and the foreigners themselves are protected by law.

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Chapter (iii)
Principles of Omani Trade Law issued by Royal Decree No. 55 of 1990

Branch (1):
Scope of application of the law:

The Omani legislator specified the scope of the application of the commercial law in Article (1) so that its provisions apply to all traders and all businesses, even if such acts are carried out by a person who is not a merchant.

In the absence of a legal provision governing the fact: in this case article (5) of the commercial law requires the courts to apply the rules of commercial custom, provided that the local or private custom is submitted to the general custom. If there is no commercial custom applying the provisions of Islamic

law, then finally the rules of justice and fairness can be applied.

Oman's private commercial laws:

The Omani legislator tied some commercial activities with special laws regulating and controlling transactions,[3] such as (commercial companies, trademarks, commercial data, commercial register, business of the Chamber of Commerce and Industry of Oman, and Muscat Stock Exchange) are regulated by their own laws; meaning that the provisions of the commercial law are not applied to them to the extent to which they comply with their provisions. Commercial agencies, commission agencies and commercial representatives apply to them the provisions of Chapter 1 of Title 5 of the Third Book of this Law (Commercial Law) in accordance with the Commercial Agencies Act.

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[3] Article (7) of the Trade Act No: 55/1990 stipulated that.

Branch (2):
Methods of Proof, in Oman Legal System
(the Commercial Law)

In accordance with the Commercial Law in Oman - as in all countries- the origin is that contracts and commercial transactions may be proven[4] by all means of proof and for any value of suits; that is to say by (witnesses, confessions, acknowledgments, writing, any document, letter or evidence that is legally accepted, etc.).

In order to know the exact scope of applying the provisions of the commercial law and to determine what is within the terms of this law and what is outside this jurisdiction, it is necessary to know the business and non-business acts (civil acts) as well as the distinction between the merchant and the non-trader.

[4] Look to article (3) of the Act.

Business Acts and Merchant

The definition of business acts: In accordance with article 8 of the Omani Commercial Law, the Business acts are the person's actions which are carried out with the intention of speculating even if he is not a trader.

By definition, we deduce the terms of business acts which are:

1/ repeat work from a person.

2/ does not necessarily have to be a trader.

3/ in order to speculate and make a profit.

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Branch (3):

Kinds of the business Acts

1-businesses in law:

In article 9, the Omani legislator specified certain acts and called them businesses in law so as not to be classified as civil acts; thereby determining the jurisdiction of commercial law rules and their sole organization of such acts:

1- Buying goods and other movable property (material and non-material) with the intention of reselling them and making a profit, whether they are sold in their original condition or after they are classified or converted.

2- Buying goods and other movable property (material or non-material) with the intention of renting them, or renting them for the purpose of re-renting them.

3- Buying the immovable property with the intention of reselling it for profit, whether it is sold in its original condition or after its fragmentation.

4- Printing, publishing, journalism, radio, television, advertising and the sale of books

5- Construction of factories, although coupled with agricultural investment Construction, restoration, construction and demolition.

6- The sale, purchase, rental and repair of ships or aircraft and all those related to the wages and salaries of the captain, navigators and aircraft navigators (Article 10).

2-Business by accessories

The business related to the above-mentioned business transactions or which is considered to make it easy to carry out such business, and all work done by the trader for the needs of his trade, is considered a business by accessory[5].

Different status of contracting parties:

If the contract is commercial for one of the contracting parties without the other, the provisions of this (commercial law shall apply), unless there is an explicit provision to the contrary.

Commercial acts by accessory:

According to this theory, civil acts which are undertaken by the merchant in contact with his trade will be considered commercial because they

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[5] In accordance with the text of article (11)

are undertaken accessories to the commercial profession in accordance with the rule that accessory follows the principal.

Examples of Commercial Acts by Accessory.

1-Contracts concluded by the trader which are intended to purchase the furniture or supplies for his business.

2-Transport contract (ships-or any other carrier) concluded by the merchant.

Notice:

The merchant is obligated to compensate for damage incurred by the illegal act committed by him due to his business.

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Branch (4): Non-business

According to the commercial law it is not a business act:[6]

1- Producing the artist for a work of art and selling it

2- Printing books.

3- The sale of the farms that are produced from the land owned or rented by him, even if he converts the production by means available to him.

Comparison between the civil acts (Non-business) and commercial acts

No	The aspect of comparison (The criterion)	Commercial acts	Civil acts (Non-business)
1	Speculation (which is to work for the	Any non-profit business is	Civil action can be not for

[6] According to article (14)

	purpose of obtaining profit with the expectation of loss).	civil, not commercial.	profit activity (charity).
2	Trading commodities (goods) or services.	Trading and brokerage are required in the business and therefore any activity that does not trade (movement) or brokerage is considered non-commercial.	The absence of active activity, deliberation and mediation has no effect on the classification of work as civil.
3	That the work is repeated in the form of a commercial enterprise takes the	It is necessary to professionalize and continue to practice the profession through a	Repetition and the existence of the project are not required to

	concept of a craft.	physical and recognizable organization such as commercial offices and companies with workers and employees.	consider the work civil.

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Branch (5): The Merchant

The definition of the merchant[7]:

Any person who engages in a business in his name which is legally eligible, and has taken these transactions as his craft.

The Merchant Conditions:

From the text we conclude the conditions for a person to be considered a merchant (trader):

1- Doing business and not civil transactions.

2- The work should be carried in his name and not as an agent for others in the sense that the profit is for his own benefit.

3- To be fully qualified, in full capacity i.e. (he reached the age of 18 without a disqualification).

4- To take these acts as a daily profession for him, and that means repeating the work without interruption, so he excludes the occasional activity once or twice in a lifetime.

In order to distinguish between traders and non-traders, the Omani legislator tried to describe the

[7] In article (16) of the act.

activity of some people under the name of traders, for example, in accordance with the Commercial Law[8], a trader is considered to be a trader if:

A- He announced to the public the place of his foundations for trade even if he did not take the trade as a craft for him.

B- Anyone who has practiced the trade under a pseudonym or has been hidden behind someone else.

C- Any one prohibited from doing business and practiced it in violation.

According to the text of article (19), the status of the trader shall be confirmed by:

A- Companies that are established or co-founded by the government, and the provisions of this law apply to them except the bankruptcy provisions.

B- Branches of foreign companies and institutions that conduct commercial activity in Oman.

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[8] text of article (17) of the act.

Branch (6): Who is not a trader

The Omani legislator explained the qualities of some people whose activity is **not** sufficient to give them the status of trader:

A- Any person whoever does business on an occasional basis without taking trade as a craft, but the occasional trade transaction he has performed is subject to the provisions of the trade law.

B- Street vendors, and owners of small shops are not subject to the duties of traders from bookkeeping, registration in the commercial register, making annual budgets, preparing reports, and not applying bankruptcy provisions or bankruptcy-proof reconciliation rules.

C- Women's ability to trade is subject to the law of the country of their nationality.

D- It is not permissible for non-Omanis to trade in Oman without special permission.

E- A foreign company may not establish a branch in Oman and business is done only through an Omani agent who enjoys the status of trader.

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Branch (7): Trade name

The trade name consists[9] of the merchant's name and surname or an innovative name, and must differ from the names registered before him and match the truth without misleading the public or harming the public interest.

Trade Name Registration:

The trade name must be registered[10] in the trade register, and no other merchant is allowed to use this trade name after registering with the registrar.

Association of the trade name with the merchant's business:

The merchant must conduct all his business transactions and sign his papers relating to these

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[9] According to article 29 of the act .

[10] According to article 40 of the act .

transactions in his trade name[11] as well as writing that name at the entrance of his shop.

Illegal competition:

If a trade name is used by someone other than his owner, or if the owner uses it in violation of the law, the injured person may ask the court to prevent such use and may claim fair compensation.[12]

Fraud and misinformation in the distribution of goods:

It is not permissible for a trader in accordance with article 48 to resort to misinformation and fraud in the distribution of his goods or to publish false statements that would harm the interest of another trader competing with him, and if he does so he is responsible for compensating the damage he caused.

Commercial sale:

The sale was defined in article 93 where it is held by the consent of the seller on the sale and the price, and the buyer must be aware of the sale with sufficient knowledge. That knowledge is sufficient if the contract

[11] In accordance with the text of Article 41.

[12] In accordance with article 47 of the act .

includes the statement of the sale and its basic descriptions; a statement that enables the buyer to identify the item sold easily, and if it states in the contract that the buyer is aware of the sale, he will lose his right to invalidate the sale on the grounds that he does not know it unless the buyer proves that the seller is defrauded.

Ruling on the sale of stolen or lost money:

It was stipulated that[13] if a merchant sells a third-party property and delivers it to the buyer, the buyer owns the property sold (if the buyer is in good faith), but if the property sold is lost or stolen, the real owner may recover it within five years of the time of loss or theft, and the buyer may ask (the owner) to expedite the price he paid.

Notice:

It is correct to demand that person (or entity) who sold the stolen or lost money to him, not the owner, because it is not fair to ask the owner of the stolen or lost money to pay for his stolen or lost money in return for receiving it after the requisition.

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[13] Article 99 of the act.

Non-delivery of goods on time:

That the contract is considered to be breached without the need for an excuse[14] if the seller delays delivery of the goods on time unless the buyer notifies the seller of its commitment to the execution of the contract within three days of the time limit, and the buyer has the right to claim compensation equal to the difference between the agreed price and what he actually was paid for the purchase of similar substitute goods that will perform the same purpose.

Delivery of goods different from what was agreed in quantity or class:

The buyer may not avoid[15] the contract unless the difference in quantity reaches such a level that the delivered goods are not valid for the purpose prepared by the buyer, and the buyer may reduce the price as much as the shortage of delivery.

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[14] Article 115 of the act.

[15] According to the text of article 116.

Examination of the sale:

The buyer must examine[16] the sold goods as soon as they are received. If he finds a defect, then he must notify the seller as soon as he is revealed, and if he does not notify the seller, he loses his right to return to the seller on the basis of this defect; then a guarantee suit is outdated one year from the date of receipt of the sale.

The reservation of the Selling thing and its loss or damage in the booking:

If the whole price or some of it will be entitled to be paid immediately, according to the text of article 121, the seller may even lock the sale if the selling thing is in the hands of the seller and he is holding it. According to the text of article 122, the loss is the buyer's responsibility unless the selling thing is destroyed as a result of the seller's action.

[16] According to the text of article 118.

Failure to pay the price on the agreed date:

If the price is not paid on the agreed date, then the seller may[17], after the buyer's excuse, demand the difference between the agreed price and the price of reselling the item to another buyer.

Selling in installments:

If the buyer does not pay one of the agreed price installments, it will be not permissible to rule on the avoidance of the sale if the buyer paid -at least- three quarters of the price[18].

The agent and the broker:

They may not purchase the goods entrusted to them for the benefit of their person[19] except with the permission of the judiciary (the court) or the consent of the owner.

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[17] In accordance with the text of Article 123 .

[18] In accordance with the provisions of Article 128.

[19] In accordance with the text of articles 133 and 134.

Section (2)

Chapter (i)

Branch (1): Marine Sales

Sale F.O. B:(FREE-ON-BOARD): Delivery of Goods on Board of the Ship at Cargo Port:

Article 146:

It is the sale in which the goods are delivered in the cargo port, on board the ship specified and appointed by the buyer to transport the goods, and in this contract the buyer is the one who contracts with the carrier (the shipper) and then the buyer notifies the seller in the name of the ship, the port and the date of the ship's docking.

The seller is obliged to ship the goods on board and bears all the expenses of shipping, export fees and certificate of issuer. The seller is not responsible for the goods after they are delivered to the (shipper) on board.

Sale: F.A.S: (FREE – ALONG – SIDE): Cargo Delivery Cargo Dock:

In this type of sale, the seller is obliged to process the goods on the dock port, which is determined by the buyer and in the time specified for the docking of the ship, and the seller is not responsible for shipping the goods or securing them, and his responsibility is

not fulfilled after the delivery of the goods in full in accordance with the agreed specifications.

Sale: C.I.F :(COST-INSURANCE – FREIGHT): Delivery Of Shipping Port: Sale Article 136:

It is the sale of the port of shipping at the cost of goods exported by sea, including the value of the goods, maritime insurance and the freight of the ship, which is a generally specified allowance. Here, the seller contracts with the carrier and pays the transport fee and the unloading fee of the goods at the port of arrival and the seller's direct responsibility for the goods protection and their destruction ends to the moment they pass the external barrier of the ship. The goods are the responsibility of the buyer and the insured company during its descent into the ship and transport.

Sale of the port of arrival: [20]

In this sale, the seller bears the responsibility for the loss of the goods after shipment and undertakes the safe arrival of the ship and the goods to the port of delivery (arrival), which is a sale-provided delivery at the port of arrival.

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[20] Article 155:

Branch (2):

Contract of carriage

Contract of transportation of things: (The important phrases are: /consignor /consignee /shipper /carrier /bill of lading)

The shipping policy (The Bill of lading): According to the law of the shipping policy (the Bill) must include[21] :

A- The date of issuing the shipping contract.

B - The name of the sender, the name of the recipient (the consignee), the carrier (the shipper) and their addresses.

C- The beginning of the trip and the destination of arrival.

D – An accurate and detailed description of the item transferred.

E- The specified time of transport.

F – The transport fee (the cost freight), payer and the method of collection.

G – The method of compensation of damage or delay of arrival.

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[21] Text of article 158 of the act .

Contract for the transfer of persons (passengers):

Whether by land, sea or air transport[22], the carrier is obliged to transport passengers and luggage to the destination of arrival at the agreed date.

The carrier guarantees the safety of the passengers during the execution of the contract of transport and is responsible for the loss or damage of the passenger's baggage and any delay in arrival. The carrier cannot deny his responsibility except by demonstrating the force majeure or the fault of the passenger, but the carrier is not responsible for the loss or damage of the baggage held by the passenger.

Home work: No: (2)

- Compare: between The Contract of transportation of things, and contract for the transfer of persons (passengers).

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[22] In accordance with article 183.

No	The aspect of comparison (The criterion)	Transportation of things	Transfer of persons (passengers)
1	Addresses		
2	Item description		
3	Compensation for loss or damage		
4	Compensation for the delay of arrival.		
5	Baggage held by the passenger.		

The responsibility of the carrier if there is /damage /loss/ or delay:

Who is responsible if your goods are damaged during freight?

Are you moving out of town or sending goods anytime soon? If the answer to this question is yes, you may want some insight as to what happens if your goods get damaged during freight and what you can do about it.

Are you covered?

The Contract and Commercial Law Act governs the various types of situations that may arise during a carriage of goods contract. The Act covers a wide range of transport carriers, including road, rail, sea and air within Oman. Once you have organized for goods to be transported by a 'carrier' and loss or damage occurs, you do not have to prove its cause in order to claim and get a remedy under the Act.

What kind of contract did I have?

Your carrier's liability under the Act depends on the kind of contract you have with the carrier. These types of contract include:

A contract for carriage at owner's risk

Under a contract for carriage at owner's risk, the carrier is not liable for the loss of or damage to any

goods except where the loss or damage is intentionally caused by the carrier.

A contract at declared value risk

The carrier is liable for the loss of or damage to any goods up to an amount specified in the contract.

A contract on declared terms

The carrier is liable for the loss of or damage to goods in accordance with a specific term of the contract.

A contract for limited carrier’s risk

The carrier is liable for the loss or damage to goods up to a certain amount.

If there is no contract between the parties, the default position will be a limited carrier’s risk contract.

When does liability start and end?

Liability for goods begins when goods are accepted by a carrier for carriage in accordance with a contract. Liability for the goods ends once the goods are delivered to the receiver or the receiver has picked up the goods.

How much compensation will I receive for limited carrier’s risk?.

The Act allows you to be compensated for damage up to $2,000 per ‘unit of goods’ if there is any damage or loss present. The definition of ‘unit of goods’ is

important because it defines how much the carrier has to pay you for any loss or damage to your goods.

A ‘unit of goods’ is defined as each item of goods. For example, if you live in America and buy a bed from London but the bed is dismantled into three parts for carriage then you have three units; meaning you will get $6,000 compensation.

As will be apparent, if your freighted item is worth $2,000 or less then the default ‘limited carrier’s risk’ contract will be adequate, but if your item or items are worth significantly more, you should ensure your freight contract will give you appropriate compensation for damage.

How much time do I have?

In order to make a claim under the Act you have 30 days after the date on which the carrier’s responsibility for the goods ends. However, this time period can be shortened by contract, so make sure you check the terms of your contract for this. If there is no contract present, then you will fall under the default position which is a limited carrier’s risk contract as outlined above.

What should you do when freighting goods?

You should clearly establish what kind of contract you have with the carrier. If goods are damaged or there is loss during delivery, you will then have a clear

understanding as to who is liable for compensation, and be able to ensure that the compensation for damage is adequate. You should also consider arranging your own insurance.

Relationship between insurance and the act?

It is important to get insurance when getting your goods moved or transported by a carrier, as loss or damage to your items may not be covered under the default position. Carriers are not liable for loss or damage directly resulting from:

an inherent defect in the products;

products not packed properly;

packing of dangerous goods; or

when the carrier is saving or trying to save life or property.

Therefore, it is important to make arrangements for insurance, either through the carrier, or directly with an insurer.

The carrier bears all losses and damage to the goods in the event that the condition is specified and declared in the contract so that the carrier bears the payment of the amount specified and agreed upon in the contract.

And since the responsibility of the carrier extends from the time of receipt to the time of delivery. The carrier is responsible for the loss of the goods; the

carrier is asked about the loss of the goods, and the loss of the goods means their disappearance, destruction or failure to be found. It can be said that the goods are considered perishable if they do not reach the consignee in a certain period of time, and the loss is either total or partial; the total loss is that which relates to the entire commodity as if it sank or burnt.

As for the partial loss, it is related to some goods and not others, as if the goods arrived incomplete and the goods may be damaged: meaning the carrier must ask about the damage to the goods.

Damage means the condition that the goods arrive in full in terms of weight, volume or otherwise, but they are considered defective or have certain defects, as if the fruit or vegetables arrived in a state of damage or as if the goods were found broken. The defect may include all goods or part of them according to the nature of the hypersensitivity, whether comprehensive or partial.

The carrier is also responsible for the delay in the arrival of the thing, and the delay means the case of the arrival of the goods after the time when it should have arrived.

There are also conditions and provisions that help the carrier not to bear responsibility for some damage

incurred by the shipment, such as an inherent defect in merchandise, products or products not properly packaged and other conditions.

For example, if I lived in the Sultanate of Oman and purchased goods from Turkey in this contract, the amount of compensation should be specified in case of any damage to the goods, and the period for which the shipping company is responsible.

The type of contract and the amount of compensation must be specified in the event of damage to the goods, so that the owner does not incur a loss in the event of damage to the transported goods. Insurance must be obtained when transporting the goods, because you may not receive compensation in the event of damage to your goods if you do not obtain this insurance. Likewise, in some cases, no contract has been concluded between the two parties, and this case is called (default) mode.

Liability is the penalty for breaching the obligation. The responsibility of the carrier lies in three cases: loss, damage, and delay. His responsibility begins at the time the carrier delivers the thing and ends with its delivery to the consignee. Liability is not limited to the actions of the carrier only, but extends to the actions of his subordinates as well; "Any person used by the carrier to implement the obligations stipulated in the

contract of carriage is considered a subordinate to the carrier". The carrier shall be liable for damage resulting from defects in packing, packaging or parcels if he knows of the defect, and the carrier shall be deemed aware of the defect if it is apparent or if it is something not concealed. But if the thing is suitable for transportation in all respects, the responsibility of the carrier must be proven.

The responsibility of the carrier in moving things is determined in three cases:

A/ Perdition: The destruction of the goods means their demise or destruction and not being found, and it may be considered perishable if it does not reach the recipient within a certain period of time. Perdition is divided into two types: partial loss and total loss. Partial loss is "that which relates to some of the goods without others", as if the goods arrived deficient in terms of weight or in terms of the number of packages (volume). As for total loss, "it is related to the whole commodity", as if it sank or burned. The goods shall be considered as perishable if the carrier does not deliver it to the consignee or notify him to attend to receive it within forty-five days from the expiration of the delivery date.

B/ Damage: Damage means the condition that the goods fully arrive in terms of weight, volume, or

otherwise, but they are defective or have certain defects. An example of this is when the fruit or vegetable arrived in a damaged state or as if the goods were broken. The defect includes all or part of the goods, depending on the nature of the hypersensitivity, whether comprehensive or partial. The defect of the goods means that "they are no longer fit for the use for which they were prepared, or that their use was not complete if not damaged."

C/ Delay: Delay means the condition that the goods arrive after the time when they should have arrived. The carrier must deliver the thing at the agreed time, otherwise within a reasonable time period determined by the conditions of carriage. However, it is possible to leave determination of the arrival time for the conditions of transportation. It is considered a delay in the delivery of the thing if it is not completed on the specified date and no date has been specified, then the time spent in the transportation process carried out by the exact carrier in the same circumstances is elapsed.

Perhaps the most important obligation imposed on the carrier in the contract of transporting the goods is his obligation to preserve and care for the goods, and the carrier is obligated to deliver the goods on the date and place agreed upon in the contract of

transporting the goods. Accordingly, the carrier is responsible for the damages arising from the loss, or defect of the goods on the one hand, and he is responsible for the delay in transporting the goods on the other hand.

The carrier must in no way hesitate to take the necessary care to preserve the thing throughout the transport and until it reaches the destination.

There are several responsibilities and recommendations that the carrier must be careful to focus on while transporting goods, and they have been written in the Omani Commercial Law, including:

The law allows the carrier to follow the path agreed upon, and if he does not agree on a particular route, the carrier must take the shortest route. The carrier will alter the negotiated path; however, and first, it must comply with the shortest route if there is a need for that.

And during the execution of the transport contract, the carrier shall guarantee the dignity of the item and shall be liable for its complete loss, partial destruction, its injury, or for the delay in delivery. The lapse of a fair time after the end of the date specified or which allows the custom to arrive without finding it. The carrier shall not be liable for what, by reason of its existence, is normally attached to the object, such

as a decrease in weight or volume during its transport, and unless it is determined that the deficiency occurred for other reasons.

The law also may provide that the carrier is not liable for the failure of the undertaking to transport it in cash, shares, jewellery or other valuable objects, with the exception of the written statements made at the time of delivery by the consignor relating to them.

The carrier is liable for the conduct of the individuals he hires in the execution of his duties, if the item is lost or damaged without the value stated in the transport contract, the liability shall be measured on the basis of the actual value of the item lost or damaged at the destination on the date specified for it in accordance with the market price. And where the item is damaged or lost in part or due to its late delivery and is no longer valid for the intended purpose and the liability of the carrier is created, the applicant for compensation may relinquish the item to the carrier in return for full compensation.

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Branch (3):

Commercial Guarantee

It is the process of combining [23] the guarantor's - the sponsor- liability with his consent to the guaranteed - the debtor's- liability in demanding the execution of an obligation.

The guarantee is considered commercial if the debt guaranteed by the guarantor is considered as a commercial debt for the debtor.

The effects of commercial sponsorship:

The guarantors (sponsors) are in solidarity with each other and with the debtor in the responsibility for the repayment of the debt, and the creditor has the option to direct the claim to any of them or to claim them all.

The agency in general:[24]

It is a contract in which the principal (person or company) entrusted another person to act on his behalf in the conduct of a particular legal act.

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[23] In accordance with the text of article 234.

[24] Article 276 of the act.

Branch (4):

Commercial Agency

It is an agency that is allocated to the business, and if it is allocated to a particular work, the agent has the right to do the relevant work and any work that the agent deems necessary to perform this work.

The agent may not be replaced by others[25] in the implementation of the agency without the permission of the principal.

Types of Commercial Agency

It has two types, contract agency and commission agency.

Contracts Agency [26]

The contract agent is the legal and commercial representative of the principal, but not a direct party in the sales contract, and has the duty to notify the buyer as such. The agent is obliged to provide all the requirements of the contract and fulfill the duties of the principal in the sales contract.

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[25] According to article 279 of the act.

[26] Article 293: of the act.

Commission Agency [27]

The commission agent hides the personality of the principal and deals with the public and contracts in his name and then transfers (under the contract of the agency) the benefit and obligations of all contracts that he signed during the year- or the period agreed -, to the client without the knowledge of others.

Trade Representative: [28]

All of those who were authorized by the merchant under an employment contract to do business on behalf of the merchant, whether they are in the merchant's shop (store) or roaming anywhere else. The trader is responsible for all the actions of his representative. The trade representative may be authorized by several traders at the same time.

Assignment No: (1):

Compare: between The Commission Agency and the Contracts Agency

Brokerage Article:[29]

A contract under which the broker undertakes a person to look for a third party to conclude a certain contract with the highest interest in the market for a

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[27] Article 298: of the act.

[28] Article 314:of the act .

[29] Article 323: of the act .

fee, and the broker is not entitled to pay unless the broker's efforts lead to a contract between the two parties

Compare: between The agent and the broker:

No	The aspect of comparison (The criterion)	The agent	the broker
	The relationship with the business owner	Act on behalf of the agent and sometimes may sign on his behalf.	He is only a mediator between the two parties, and he does not have a right to sign the contract concluded between them.
	The law applied	Commercial law and Agency law.	Commercial law.
	The wage	Paid for the work he does, according to	Paid for the work he does, according to

		the contract.	the commercial custom or an agreement.
	The possibility of litigation in court on behalf of the business owner.	The agent may be litigated and sued on behalf of the principal.	He may not litigate on behalf of the owner.
	The amount of care he must do in performing his work (Layman care or the reasonable man care)	Layman care	Layman care

Chapter (ii)
Bank operations

Branch (1):
Deposit operations

A-Cash Deposit:

A contract that entitles the bank to own the money deposited by the client[30], and the bank has the right to invest the money during the period of the deposit with the bank's obligation to refund the deposit value to the depositor at the end of the contract period of the same type of currency deposited.

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[30] Article 339 of the act.

The deposit of money is provided[31] as soon as the depositor requests, and the depositor has the right to withdraw any part of the balance at any time, but if the bank contracted with the depositor on a specified period of the deposit, the depositor's right to dispose the deposited amount during this agreed period is dropped.

B-Bond and Securities Deposit:[32]

It is a contract under which the bank is obliged to maintain the securities deposited with it from fire, theft and damage as well as the management of these papers and the collection of their value and investment, and the depositor is obliged to pay the costs and the bank commission.

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[31] Accordance with the text of Article 342.

[32] Article 348: of the act .

Branch (2):
others operations

A-Treasury Leasing[33]:

A contract under which the bank undertakes to place a certain treasury at the disposal of the tenant for a certain period of time for a fee, and the bank is responsible for the safety of the treasury, its guarding, and its suitability for use. Here, the management is in the hands of the tenant.

Handing over the treasury key to the tenant is a proof of the beginning of the contract and the return of key to the bank is a proof of the end of the contract.

B-Document Credit Contract:

It is a contract[34] under which the bank undertakes to open a credit at the request of one of its clients, and is called (the order to open the credit) for the benefit of another person called (beneficiary) by guaranteeing documents representing goods transported or prepared for transport.

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[33] Article 355: of the act .

[34] Article 377 of the act .

The bank is obliged to match the papers and documents sent to it with the approved documents. If the document sent by the seller matches with the original good’s document, the bank is bound to pay the beneficiary (the seller) even if the customer objects because its commitment is absolute and direct to the beneficiary.[35]

C-Bank Guarantee Letter:

It is an undertaking issued by a bank at the request of a customer[36] (called the order) to pay a certain amount (or an appointmentable amount) to another person called (beneficiary) unconditionally when the beneficiary requests it during the specified period in the letter. The purpose for which the letter of guarantee was issued must be clarified, and the bank may not refuse to pay the beneficiary for the reason due to the bank's relationship with the order or order of the beneficiary. The bank may take a mortgage or claim in exchange for the issuance of the letter of guarantee, in addition to the agreed commission.

[35] (Article 382) of the act.

[36] Article 312 of the act

D-Current account:

It is a contract whereby a person and a bank agree to be accounted for through mutual and overlapping payments of debt arising from their operations[37], from the delivery of money or securities, to be replaced by the settlement of these debts by each payment with one final settlement resulting in the liquidation of the balance at its closing.

Comparison between the Cash Bank Deposit and Current Account

No	The aspect of comparison (the criterion)	Cash Bank Deposit	Current Account
1	Money ownership	Transfer of the money from the client's deposit to the bank.	Non-transfer of money ownership, and money is considered mutual payments ending with one settlement when

[37] Article 398of the act .

			the account is closed.
2	Mandatory delivery of money	The customer is obliged to deliver the agreed money to the bank on time according to the contract.	The customer is not obliged to deliver a specified amount on a specified date.
3	Fragmentation and division	The deposit elements are divisible.	Current account items are indivisible.
4	Benefits	The customer has an Interest agreed upon in the contract.	There are no agreed benefits.
5	Exploiting and	The bank has the right to use and	The bank is obliged to provide the

	operating money	operate the money because it is the owner of the money.	money that the customer requests to withdraw at any time.
6	Refund	The bank will refund all the money deposited with interest to the customer at the end of the contract term.	The withdrawal is at the request of the customer at any time not exceeding the balance already in the account.
7	Proof of contract	Always commercial for the bank, but for the customer it depends on the characteristics of the customer and the	Always commercial for the bank. As for the customer, it depends on the nature of the contract (civil/commercial).

		purpose of the deposit.	
8	Changing the legal status of the money deposited.	The status of the money deposited does not change.	The status of the money changes as soon as it enters the current account (regenerative effect) and becomes an element of the current account.

Chapter (iii)
Commercial Papers

Branch (1):

The Bill of Exchange:

Sample Format - Bill of Exchange

Amount - 2,00,000

Place, Date



60 days after the date, pay Mr. ABC a sum of 2,00,000, for value received.

Accepted
(Signed)
Drawee's Name
Drawee's Address

Drawer
(Signed)
Drawer's Address

BILL OF EXCHANGE

EXCHANGE FOR (1) $55,055 (3) 31st March 2007

AT (2) 30 days after sight PAY THIS (4) sole BILL OF EXCHAGE

TO THE ORDER OF (5) Ourselves

THE SUM OF (6) Fifty-five thousand and fifty-five dollars only

VALUE (7) Goods

TO: (8) The Golden Arc
Delistraat 49, 2686 VX
The Hague
The Netherlands

WHICH PLACE TO ACCOUNT
FOR AND ON BEHALF OF
(9) Diamond Sky CO., Ltd
267 South Sathorn Rd.
Bangkok 10120, Thailand

(10) Signed: Navee Wongcharoen

The Creation of the Bill:

It is an instrument[38] (securities) containing the following basic data:

38 Article 41 of the act .

1- The word "bill" written on the origin of the instrument and in the language in which the instrument is written.

2- The date of the establishment of the bill and the place of its establishment

3 - The name of the one who needs to pay (the drawee) and the name of the (drawer).

4- The name of the one to be fulfilled to (the beneficiary).

5- An order that is - (not suspended on the condition) - that a certain amount of money be fulfilled.

6- The due date of the amount of the bill.

7 - The place of fulfilling the value of the bill.

8 - The signature of the one who created the bill (the editor of the bill and the drawor).

The ruling on the difference:

If the amount of the bill is determined in letters and in numbers, then the ruling on the difference is the number written in letters[39], and if the amount is specified several times in letters and numbers, then the ruling is when the difference is the lowest amount.

[39] Article 418 of the act.

The endorsement of the bill:

Any bill of exchange may be traded on the endorsement[40] unless the words "not for an order" or any other term that benefits this meaning are placed.

The endorsement must be written on the bill itself or on another paper attached to it, provided that the endorser signs it.

Guarantee of the value of the bill:

The drawer[41] of the bill must ensure that there is a corresponding payment when it is presented to the drawee (who is often a merchant or a trading company with business dealings with the bill of exchange), If the drawee has debts owed to the drawer on the due date, the exchange for the bill is deemed to be present by law, and the amount of the debt must be equal to -at least- or greater than the amount of the bill of exchange.

The acceptance of the bill means that it is approved by the drawee and is considered a presumption and proof of the existence of the counterpart on the date of paying.

By the drawee acceptance, the drawer is exempt from guaranteeing the value of the bill.

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[40] Article 425 of the act.

[41] Article 442 of the act.

The Obsolescence:

Any claim[42] based on the right of the bill against the drawee or whoever approved it shall be forfeited (lost) by the lapse of three years.

The beneficiary has the right to file a law suit against the drawer or the bill adopter within a year from the date of payment or his objection.

The last person who approved and paid the value of the bill, may raise a lawsuit against the drawer or anyone after- him from the authorized persons- within six months from the date of his payment or the date of the suit raised against him.

Promissory Note

I, Jane Monroe, do promise to pay City Finance Co. the sum of $50,000. Repayment is to be made in the form of 300 equal payments at 6% interest, or $322.15 payable on the 1st of each month, beginning 8/1/2005 until the total debt is satisfied.

Signed,

Jane Monroe

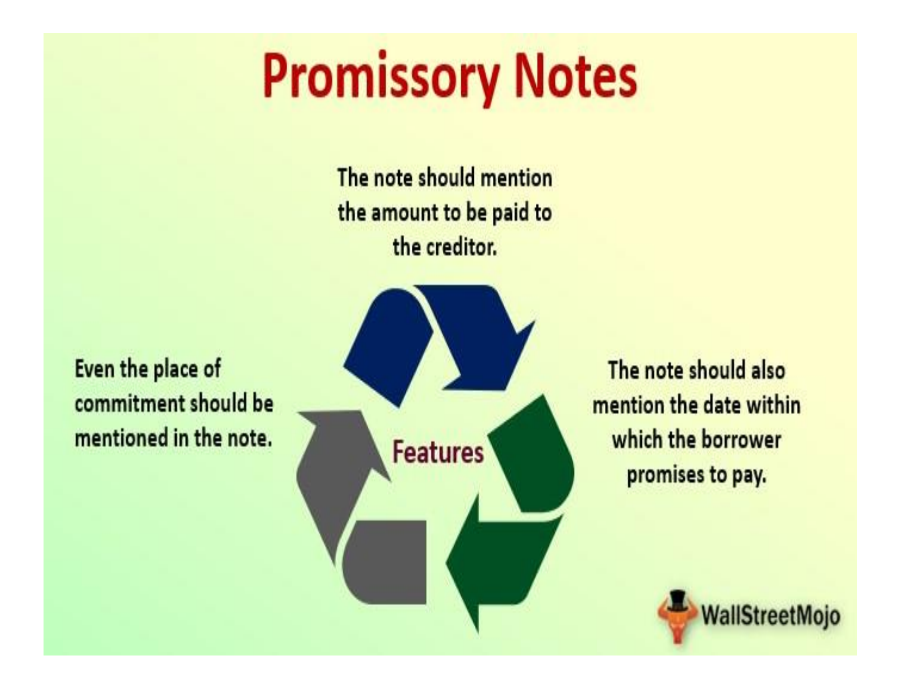
7/1/2005

FIG. 152. PROMISSORY NOTE

[42] Article 451 of the act .

Branch (2):
promissory Note: [43]



[43] Article 518 of the act.

It is an instrument that contains the following data:

1- The word (promissory Note) written in the body of the paper and in the language on which it is written.

2- The date of the establishment of the paper and the place of its creation.

3- The name of the one who must be fulfilled or receive (the beneficiary).

4- An unsuspended pledge on the condition that a certain amount of money be fulfilled.

5- Due date.

6- Place of payments.

7 – A sign of the drawer (editor).

The provisions and rules of the promissory Note:

Apply to the promissory note the rules and provisions of the bill [44]of exchange to the extent that it does not conflict with it is nature, and the obligation of the editor of the promissory note shall be in the way equal to the obligation of the person who endorsed (adopted) the bill of exchange.

[44] Article 520 of the act.

Comparison between the bill of exchange and the (promissory Note)

No	The aspect of comparison (the criterion)	Bill of exchange	Bond of order (the promissory note)
1	The nature of the instrument.	From the commercial papers.	From the commercial papers.
2	The use of the instrument	To pay off the debt – and for credit - and exchange.	To pay off the debt and for credit only.
3	Number of parties	Three parties in the bill of exchange.	Only two.
4	The existence of the equal - value of the instrument	Provided that it is present at the time of writing the instrument.	No need for the condition that the value of the instrument existed at the time it was written

5	Applying for admission	It is permissible to require application for admission.	There's no need for admission.
6	Legal status of instrument editor	He has two characteristics that owe to the beneficiary and a creditor to the drawee.	The bond editor owes the beneficiary (one character only).
7	Integration with the original instrument	In most cases, they are integrated with the instrument in which they represent the fixed right.	Integration is not a condition.

Branch (3): The Check

It is an instrument [45] that contains the following data:

1- The word "check" written in the body of the instrument, and in the same language in which it is written.

2- The date of the creation of the check and the place of creation.

3- The name of the one who has to pay (drawee), and it is usually (a bank).

4- The name of the one to be paid to or to his command (the beneficiary).

5- An order -that is not suspended on any condition- of paying a certain amount of money.

6- The place of payment (specifying the name of the bank branch on the check paper).

7- The signature of the one who created the check (drawer), who is the client who owns the account.

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[45] Article 523 of the act .



The payment of a forged check:

The (bank) (drawee) shall bear the damage[46] resulting from the payment of a forged cheque in which the signature or the seal was modified if it is not possible to attach responsibility of the error to the drawer.

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[46] Article 53 of the act .

The keeping of the checkbook:

The drawer is particularly wrong if he doesn't take the ordinary man's attention in keeping his checkbook.

Cheque endorsement:

A check that contains the condition of payment[47] to a named and specific person, whether it expressly stipulates the condition of the order or not, is negotiable by endorsement. However, the conditional cheque which is paid to a named person and says the words "not for an order" or any similar phrase is impermissible to be endorsed because the check specified by the name of a particular person cannot be endorsed except by following the provisions of the right of transfers.

Loss of check:

If a person loses possession of a cheque[48] following an accident, whether the cheque is a holder or is negotiable by endorsement, then no one (who has given it to him) is required to give it up if he has proved his right to it in the manner described in article 539 unless he has obtained it in bad faith or has made a serious mistake in obtaining it.

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[47] Article 536 of the act.

[48] Article 541 of the act.

The holder of the cheque[49], who can be confirmed as the legitimate holder, is considered to be the holder of the right to it with uninterrupted endorsements even if the most recent is a white endorsement. The cancelled endorsements are considered as if they do not exist, and the person appearing on the cheque after endorsement on white is considered the right holder of the cheque.

Performance time:

On the due date, the check must be fulfilled as soon as it is viewed, shown or read. If it is written on a later date, it is not permissible to pay it before that date, and the check must be submitted for payment within six months in accordance with article (545), and the date mentioned begins from the date shown in the check as the date of its issuance, and the submission of the check to the clearing rooms is considered to be the submission of the check for payment.

Returning to the drawer:

The holder (the beneficiary) of the cheque has the right to return [50] to the drawer, or all responsible persons who endorsed the check, if he submits the

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[49] Article 539 of the act .

[50] Article 557 of the act .

check at the legal date and they do not pay him, and it can be proved that it was not paid, as follows:

1- A statement issued by the (drawee, the bank) must explain the reason for the non-payment and the date of the delivery of the check.

2- A statement issued by a (clearing room) stating that the check with the number........... was submitted on the legal date and its values were not paid, and this statement must be written on the check paper itself and the date must be specified.

The duration of the check claims:[51]

The claims of the return of the check holder on the drawer, the drawee or endorsers are outdated after one year from the payment date of the check.

Writing the name of the drawer (account, holder) on the check:

Each bank (or Massraf) has a payment, and hands over to its creditors (current account holders) a blank cheque book to pay from its locker. The name of the person who receives it must be written on each cheque sheet (paper) from the book.

[51] Article 561: of the act .

Branch (4)-
Reasons for rejecting the cashing of checks

Reasons for rejecting the cashing of a check should be stated clearly instead of just saying (contact the

drawer). The term in the rejection slip must be amended to be read as such (contact the drawer as no sufficient balance is available or as the case may be in the following:

*The ………………Bank cannot accept check draft No………date………..in the amount of ……………..for reasons ticked below:

1-Please contact drawer: ( ) no balance is available or ( ) balance is not sufficient.

2-( ) Not payable by the bank.

3-( ) Account is closed.

4-( )Drawn against payment instruments; not yet collected.

5-( ) Check : suspended.

6-( ) Not drawn in Omr. and value not gotten in Omr.

7-( ) Endorsement is irregular.

8-( ) Check draft (Non- transferable) , or ( ) Non – endorsable.

9-( ) Amount in letters different from figures required.

10-( )Writing of check is irregular.

11-( )Check draft ( ) distorted, ( ) damaged, or ( ) torn up so it needs to be changed.

12-( ) Check date ( ) old.

Branch (5):
FORGERY EVENTS

According to the increase in forgery events through which it was possible to withdraw from the accounts of some commercial firms and individuals at banks with forged signatures or endorsement, and in the desire to adopt security control and means to protect the checks and reduce forgery, and to detect forged checks before cashing; we should take all necessary precautions to protect checks against forgery as in the following steps:

1-When a check is submitted for cashing, the following steps must be observed.

A- Verify the signature of the drawer by matching it with the signatures approved by the bank.

b- Compare the amount in figures with that in letters. In case of variation or in case the check is gotten only in figures or letters, the check must be returned to drawer for amendment and signing again.

C- The check must be free of any erasing or rubbing or amendment, otherwise it should be returned to the drawer to be signed again.

D- Verify the identity of the beneficiary by checking his ID or passport and carefully record their number and place of issuing on the back of the check by the Bank employee.

E-If the employee in charge notices something abnormal; such as the large amount of the check or the presentation of the check on a regular paper or the method of withdrawal, he has to notify the manager or assistant manager.

F-The signature of the beneficiary on the back must be coupled with his name in legible writing. Writing of the name and signing should be done in front of the employee.

If the beneficiary is illiterate, his left-hand thumb stamp should be taken with his name written there below.

2-No name of any person should be printed on the check book delivered to him before checking his ID. or passport.

3-Banks should use special paper for checks printed in a safe way that makes forgery difficult and, at the same time, makes it easy for the bank to detect any modification or amendment in the data written in the check by chemical erasing or otherwise.

❊❊❊❊❊

Section (3)

Chapter (i)
Bankruptcy and Protective Reconciliation
Bankruptcy Law issued by Royal Decree No. 53 of 2019

Bankruptcy occurs when the trader stops paying his debts, and the return of the check or any securities without payment are considered to be the beginning of the trader's failure to pay his debts.

Branch (1):

Protective reconciliation:

(A) It is the settlement made by the Court between the debtor trader and his creditors to avoid declaring the trader bankrupt and shall be based on a request to the court from the debtor trader.

B- Bankruptcy means all the money[52] of the bankrupt debtor trader- who was prevented from disposing his property under the bankruptcy ruling-, seized by court order, sold by auction, and distributed to creditors according to the creditors' shares in the debt.

(C) Restructuring requests (Debt rescheduling requests):

The debtor trader who has not committed fraud may apply for restructuring, provided that he has been continuously engaged in trade during the two years before the application, and may not apply for restructuring in the event of a final decision declaring his bankruptcy, or the decision to open the proceedings of the protective reconciliation. The application for restructuring shall result in the suspension of the application for bankruptcy and the protective reconciliation until the court decides on the restructuring application.

The request for restructuring must include[53] the reasons for financial and administrative failure, the date of its origin, the measures taken to avoid it or correct its effects, and what the debtor trader

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[52] Article (1) of the act.

[53] Article 8 of the act.

considers necessary to get out of it, provided that the request must be supported by the necessary documents.

Protective reconciliation:

The trader may request a protective reconciliation if his financial business is disturbed by a disturbance that would lead to him stopping paying his debts, and he did not cheat and did not make a mistake that is impossible to commit by the usual debtor trader, provided that he has engaged in trade during the two years before the application is filed.

Notice:

With the exception of Al-Muhasa company [54], every commercial company may request a protective reconciliation if it meets the conditions mentioned in article 24.

For the court:

If an application is made to the court to declare the debtor's bankruptcy, and another request for a protective reconciliation submitted, then it is not permissible for the court to decide on the application for bankruptcy until ruling on the request for a protective reconciliation first.

[54] Article (26) of the act .

Branch (2):

The Bankruptcy:

Any trader[55] who has ceased to pay his business debts as a result of his business turmoil may ask the court to declare bankruptcy, and the suspension of the debt is considered evidence of business disruption unless proven otherwise.

The state of bankruptcy shall not arise except by a ruling issued by the bankruptcy declaration, and without this provision the interruption of the repayment of the debt does not have any effect. The judgment shall be issued at the request of the debtor trader or a creditor, and the court may order bankruptcy on its own to protect the public interest.

A fully secured debt:

The creditor's claim to declare the debtor bankrupt under a fully secured debt shall not be accepted, unless the value of the debt exceeds the value of the guarantee.

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[55] Article (69): of the act.

Bankruptcy proceeding[56] claims must be heard promptly, and the decisions issued are enforceable without bail.

The court sets a date[57] for the suspension of payment in the bankruptcy ruling, appoints a director of the bankruptcy, selects a judge to be a judge of the bankruptcy, orders the placement of seals on the merchant's shop until the completion of the accounting of his funds and assets, and sends a copy of the judgment to the public prosecutor.

Turn off all claims:[58]

It is not permissible after the bankruptcy ruling to file a claim by or on the bankrupt debtor, except for criminal proceedings and what is permitted by the Bankruptcy Court.

Deferred Debt:

The bankruptcy judgment precedes all deferred debts of all cash debts owed by the bankrupt debtor, whether they are regular or secured debts

[56] Article 57 of the act .

[57] Article (78) of the act .

[58] Article 114: of the act .

Reconciliation against bankruptcy:

This reconciliation is adopted by the court after the declaration of bankruptcy and shall be at the request of the stakeholders and at any stage of the proceedings, and the judicial reconciliation does not take place without the consent of the majority of creditors provided that they have two thirds of these debts.

Branch (3):
Types of bankruptcy

1- Real 2- Default 3- Fraudulent

Real bankruptcy:

This is the case of the honest trader when he stops paying his debts. The real bankrupt trading system defined the honest trader as that one who works in the trade profession on a known capital, which is considered in commercial custom as sufficient for the business in which he works and found with him an organized (regular) trader books, and he does not waste in his disbursement of money and his money damaged due to burning or sinking or because of a pandemic or a compelling external force.

Commercial law has set conditions for the trader to be considered a real bankrupt: -

A- Doing business.

B- The availability of sufficient capital according to the commercial custom.

C- Regular trade bookkeeping.

D- Damage his money for reasons beyond his control (due to burning or sinking or because of a pandemic or a compelling external force.

Default Bankruptcy:

This is a situation in which the debtor ceases to pay his debts; due to his mistake and lack of foresight, by engaging in uncalculated speculation or overspending in his personal expenses in a manner that is not commensurate with the volume of his trade and revenues.

The commercial law defined him as "the Default bankrupt: the trader who is wasteful in his expenses and has not shown his incapacity in his time, but rather kept it, and did not notify his creditors and continued to operate in the trade until his capital ran out. He is considered to be so even if there are regular books for him. The legislator arranged a criminal penalty for the bankrupt of this kind by imprisoning him for three months to two years.

Fraudulent bankruptcy:

The trader's intention may change and become bad with the deterioration of his financial situation, so he may be deliberately damaging his creditors by doing some acts, such as hiding his business books and some

of his money or transferring ownership of his money to his relatives, etc.

Commercial law defines the fraudulent bankrupt as the trader (who used tricks and intrigues in hiding his capital, or recorded in his books debts for another person by lying or writing out bonds or transferring ownership of his property or money to others with the intention of hiding them whether he was wasteful or not, or had books or not). The legislator imposed a criminal penalty for three to five years in prison.

Comparison between Reconciliation against bankruptcy (simple reconciliation) and Protective reconciliation (bankruptcy settlement)

No	The aspect of comparison (the criterion)	Reconciliation against bankruptcy	Protective reconciliation
1	In terms of parties	A contract between the bankrupt trader and	A contract between the bankrupt trader and the group of creditors.

		the group of creditors.	
2	Court approval	The agreement must be approved by the court.	Reconciliation is preventable from issuing the judgment and the court's approval is only a supplement to the procedure.
3	Time to agree.	After the bankruptcy was declared and before the bankruptcy money was sold.	Before the bankruptcy declaration.
4	Creditor approval	The approval of the majority of	The reconciliation is made with the one who

		creditors is required. consent of the majority of creditors provided that they have two thirds of these debts.	attended the meeting and the reconciliation is binding on the other creditors provided that their shares are kept in full.
5	The kind of bankruptcy.	It is only permissible in the case of real bankruptcy.	It is only permissible in the case of real bankruptcy.
6	End of bankruptcy	It ends under the reconciliation	Bankruptcy does not begin because the settlement is protected.

Chapter (ii)
Company Law
Issued by Royal Decree No. (18) for 2019

Branch (1):

General information of the company

Company Governance [59]:

Company Governance means: a set of principles, standards and procedures that achieve corporate (company) discipline in the management of the company in accordance with international standards and methods by defining the responsibilities and duties of the members of the Board of Directors and the executive management of the company; taking into account the protection of the rights of shareholders and stakeholders.

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[59] Article (1) of the act. Paragraph (8):

The scope of the application of the Companies Act:

The provisions of this law apply to commercial companies, whose main headquarters are in Oman or whose main activities are operated in Oman.

The definition of a commercial company:

It is a legal entity[60] established under a contract under which two or more persons are obliged to contribute to a profit-making project by providing a share of the capital that is either material, moral, or in terms of services or work with the purpose of sharing any profit or loss resulting from this project.

Excluding the provisions of Article 3: For the one-man company.

Oman's commercial legal system **allows** the formation of a one-person (man) company.

Companies allowed to be established in Oman:

1- Solidarity Company 2 - Recommendation Company 3 - Al-Muhasa Company 4 - Joint Stock Company 5 - Holding Company 6 - Limited Liability Company 7 - One-man company.

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[60] article 3 of the act .

Registration of companies:[61]

The Ministry of Commerce and Industry shall register and supervise commercial companies, except for the public shareholding company, which is subject to jurisdiction of the General Authority for the Capital Market.

The legitimacy of the purpose of the company:[62]

The purpose of the company must be legitimate and each company whose purpose is contrary to law. The articles of association of the company are considered invalid and illegal.

Nationality of the company:

Every company established in Oman is an Omani national[63] and enjoys the benefits established by this law.

The legal personality of the company: [64]

Except for the Muhasa company, the company acquires the legal personality from the date of its registration, yet the company shall be in a legal personality during the period of its establishment to the extent necessary to do so.

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[61] Article 6: of the act .

[62] Article (11): of the act .

[63] Article 12 of the act.

[64] Article (14): of the act .

It is the right of all those who have the right to uphold the company's existence in the face of the promoters (the partners) despite the fact that the procedures of its establishment have not ended. However, it is not permissible for partners or shareholders to invoke the legal personality of the company in the face of others before it’s registration, and all the actions carried out on behalf of the company before the establishment are the responsibility of the persons who acted on behalf of the company.

The distribution of profits and losses[65] shall be in the share of the company's capital unless the company documents state otherwise and each provision prohibits a partner or shareholder from participating in the profits or exempting him from losses shall be void.

Prohibited actions on partners and directors:

Any partner, shareholder, manager or board member, without the consent of all partners or the General Assembly, may not use the company's assets[66] or funds for his own benefit or make direct or indirect

[65] Article 27 of the act.

[66] Articles (28) (29) of the act.

agreement with the company or between the company and his or her relatives, and the partners were prohibited from carrying out actions similar to the company's business with the exception of partners in joint stock and Al Muhasa companies.

The merger of the company: [67]

One or more companies, even if they are in liquidation, may merge into another company of its form or other form and be merged in one of two ways:

A- Annexation: It is the dissolution of one or more companies and the transfer of its assets and obligations to another existing company.

B- Blending: It is the solution of two or more companies at the same time and the establishment of a new company to which all assets and all obligations are transferred.

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[67] Article 33: of the act.

Branch (2):

Company dissolve and liquidation

The commercial company shall be dissolved for the reasons stipulated in the founding document (contract of its establishment), as well as for the following general reasons:[68]

A- The company does not practice its business and activity from the date of its establishment or stop practicing for more than (2) years.

B- The termination specified in the contract of its establishment.

C- The end of the purpose for which the company was established (founded) or the impossibility of achieving it.

D- Transfer of shares or assets to a number of partners or shareholders below the legally prescribed limit.

E. If the capital falls below the minimum available without being able to increase it within the scheduled time limit.

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[68] Article 40 of the act.

F- Bankruptcy of the company or loss of all or most of its capital if this loss prevents the use of the remaining capital meaningfully.

G- The partners agree to dissolve the company.

H- Dissolve the company by a court decision from a competent court.

The effects of the company's solution include: [69]

The powers of all directors shall be (stopped) completely from the date of the dissolution of the company, and the directors shall be custodians of the company's assets until the appointment of a liquidator of the company and the delivery of all assets to them.

[69] Article (42): of the act.

Branch (3):

Company Liquidator Tasks

A-The liquidator must notify[70] all creditors of letters recorded on their addresses written by the company of the decision of liquidation and invite them to file their claims against the company.

B- Collecting all the company's debts from the third parties (company debtors) and completing any work contracted by the company before the liquidation decision, but the liquidator does not have the right to conclude (get in) new contracts.

C- Settle all the correct claims filed against the company from the creditors provided that it excludes the liquidation fees and costs before the settlements.

D- If assets remain after the settlements, the liquidator will distribute them among the (promoters) - founding partners- in accordance with the company contract, establishment document-, and the deficit should be distributed to the partners at the same rate to bear the losses unless the company is limited in liability.

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[70] Article 46-1 of the act .

Branch (4):

Commercial Companies

A) Definition of the contract of the commercial company:

A contract of commercial company is a contract under which two or more persons participate in an enterprise for a profit, each one of them contributing a share of the capital in the form of tangible or intangible property or services, with a view to share any profit or loss resulting from such enterprise.

B) The elements of establishing the commercial company

We have two types of elements for the establishment of any commercial company:

1/ The public and private substantive elements:

Public substantive elements include:

A-A perfect consent without any defects.

B-The legal capacity of each partner.

C-Legal cause (the desire to realize profits).

Private substantive elements include:

A-Availability of two or more persons

B-Submission of shares in the capital (the share is what the partner offers in money or in kind).

C-Sharing the profits and losses between the partners as much as the share of each of them in the capital.

2/ The formal elements include:

A-The contract of the company must be written on the basis that is required by law, that is to say the contract of the company is a formal contract as its validity is required to follow a specific form.

B- Publication of the company contract by registering it in the commercial register and publishing this registration in the official gazette.

The failure of any of the prior elements results in the invalidity of the company contract.

Branch (5):

Types of companies in Oman

1- Solidarity Company: [71]A company consisting of two or more natural persons who are responsible in solidarity for all their funds for the company's obligations, and the responsibility and rights transferred upon the death of any of them to their heirs.

The management of the solidarity company:

Each partner acquires the status of trader and is considered to be acting under the name of the company, and therefore the bankruptcy of the company results in the bankruptcy of all its partners.

2- Recommendation Company: It is a company consisting of two categories of partners:

A- One or more joint partners who are responsible in solidarity in all their funds for the company's obligations (unlimited liability).

B- One or more recommended partners are responsible for the company's obligations to the

[71] Article 60: of the act.

extent of their participation in the capital (limited liability) and the recommended partner may not take over the or participate in the management of the company.

C- Bankruptcy, loss of eligibility (capacity) or death of the recommended partner does not lead to the dissolution of the company.

3- Al-Muhasa Company:

It is a company consisting of two[72] or more natural or legal persons. It is a hidden company that does not need to exist in the face of others, does not have the legal personality, nor does it register with the commercial registrar and merely documents its contract with the notary and is proven by all methods of proof.

4- A joint stock company:

It is a company whose capital is divided into shares that are traded as legally determined, and the shareholder only (liable) to the extent of his contribution to the capital. The joint stock company consists of at least three natural or legal persons, with the exception that, the joint stock companies

[72] Article 85 of the act .

established by the state alone or in partnership with others.

The main contract (establishing) of The Joint Stock Company:

The company's founding document (establishing contract) must include[73] in particular the following statements:

A- The name of the company and its main duty center.

B- The company's purposes (objects)

C- The amount of capital, the number of shares and the value of each share and its type.

D – The names of the founders (promoters), their nationalities, their places of residence, addresses and the number of shares subscribed by each of them.

E- The number of members of the Board of Directors.

F - The duration of the company if specified in the contract of establishment, date of the beginning, and the date of the end of the company's work.

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[73] Article 92:of the act .

Comparison Between the provisions of The Solidarity Company and The Joint Stock Company

No	The aspect of comparison (The criterion)	Solidarity Company	Joint Stock Company
1	Partner's share transfer.	Does not move without the consent of other partners.	Divides its capital into equal and tradable shares without the approval of other partners.
2	Type of company.	From personal companies.	From the money companies.
3	The partner acquires the status of trader.	Condition with the perfection of eligibility.	It's not a condition for the validity of the participation.
4	Company Name.	The name of a partner must	It is not a requirement

		be included in the company address.	for a partner's name to be included in the company address
5	Partner's responsibility.	Complete, unlimited and in solidarity, even in his own money.	Limited by the rest of the value of the shares you own.
6	Number of partners	From (2) and above	From (3) and above

Branch (6):

The General Assembly of the company

It is the highest authority in the company (higher than the board of directors) and has the following competences:

A- Study the report of the Board of Directors on the company's activity and financial position for the ended year and then approve it.

B- Study the report of the Board of Directors on the company's activity and management for the ended year and then approve it

C- Study the auditor's report on the company's audited financial statements for the ended year and approve it.

D- Electing, appointing and dismissing Board Members.

E- Study and approve the proposal to distribute the profit to the shareholders.

F- Approval of the remuneration of Board Members and the reward for attending the meetings.

G- Appoint the company's comptroller for the new financial year and appoint the legal adviser of the company and determine their rewards and salary.

The General Assembly (extraordinary) shall be competent to the following: [74]

In the presence of the owners of at least 75% of the shares of the capital, the General Assembly convenes and issues the following decisions:

A- Amend any text in the company's establishment contract (the policy).

B- Disposal of the property (immovable assets) of the company, or in part 25% and more of the value of the asset.

C- Transforming the company or merging or dissolving it.

[74] Article (176): of the act.

Branch (7):
The Board of Directors: [75]

It shall be responsible for the management of the company and the number of its members determined in the contract of the establishment of the company, provided that its composition is individual and may not be less than (5) five members for public shareholding companies, and about (3) three members for the joint stock company, and not more than (11) eleven members.

The Board of Directors must be elected from among its members the president, deputy and secretary, and a copy of the decision and the meeting report will be deposited with the registrar of companies.

The functions and jurisdiction of the Board of Directors:

The Board of Directors shall have all powers in the management of the company's affairs, and be obliged to implement the decisions of the General Assembly.

[75] Article (179):of the act .

The chairman of the Board of Directors is the representative of the company to third parties and before the judiciary.

The following work is forbidden for the Board of Directors to do, unless it is expressly authorized in the establishment contract or by decision of the General Assembly:

A- Making donations except donations required by the benefit of the work.

B. Making a mortgage on the company's assets only to secure its debts due to its normal business.

C- Ensuring the debts of others, except for the normal guarantees held to achieve the company's purposes.

The actions of the members of the Board of Directors: [76]

No members of the Board of Directors or executive management are permitted to use their position for the benefit of their own or any other person, to participate in the management of any other company that does business similar to that of this company, or to perform actions similar to the company's business to their advantage or to use the company's property and assets for their own benefit or for the benefit of

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[76] Article (202-203):of the act .

their relatives or others, nor to have an interest or indirect interest in the company's contracts and business transactions.

Financial Records and Statements:

The Company must keep financial records indicating its transactions and financial position in accordance with the criteria of international financial reports, which explains the financial statements, the budget, the calculation of profits and losses, the statement of cash flow, and any changes in the rights of ownership.

Comptroller: [77]

The company shall have one or more comptroller, auditors, of authorized accounting and auditing licensees, appointed by decision issued by the Annual General Assembly specifying their financial rights and rewards.

[77] Article (219): of the act.

Branch (8):
Holding company and subsidiary

Holding Company: [78]

It is a joint stock company that controls financially and administratively one or more companies (shares or limited liability) to become a subsidiary, through owning at least 51% of the shares, or with its participation by more than half (50% +1) of the membership of the Board of Directors of those companies. It invests its funds through its subsidiaries.

The purposes of the holding company: [79]

A- Managing its subsidiaries or participating in the management of other companies in which they contribute.

B- Participating in the establishment of joint stock companies or limited liability companies.

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[78] Article (227): of the act.

[79] Article (228): of the act.

C- Providing guarantees, loans and financing to its subsidiaries.

D- Investing its funds in stocks, bonds and securities.

E- Owning the movables and immovable property necessary to start their activities within the legally licensed limits.

F- Owns patents of inventions, trademarks, privileges and other moral rights, and exploits them and rents them to their subsidiaries and others.

Ways to establish the holding company:

A- Establishing a joint stock company whose purposes are defined by one or more of the purposes stipulated in article (228) mentioned above.

B- Modifying the purpose of a joint stock company to the purpose of a holding company.

C- Turning a limited liability company into a holding company.

Limited Liability Company: [80]

It consists of a number of natural or legal persons not less than 2 and not more than 50 and their responsibility is limited to the company's obligations

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[80] Article (234): of the act.

to the extent of their share of capital. The capital is divided into equal value shares and edited at the time of registration, and the words "Limited Liability Company" must be associated with the name of the company. The partner’s shares are non-negotiable, and the shares must not consist of services or work, so the shares must be in cash or in kind (movable or immovable property) only.

Branch (9):

One man Company [81]

It is a limited liability company with a full capital of one person, natural or legal person. A natural person may not establish more than one limited liability company from one person[82], nor may the company he established establish another company of the same capacity (limited liability for one person). According to article 293, the owner of the company shall not ask for its obligations only by the amount of capital allocated to it (limited liability to the extent of the amount of capital not paid by the owner), and the owner may manage the company himself or appoint a director. This company shall end with the death of the owner unless the heirs choose to continue with it or if all the shares of the heirs are assigned to one person who decides to continue in the company. Within 180 days of the date of death, the company may also end by the

[81] Article (291): of the act.

[82] According to article 291 of the act.

expiry of the established legal person if he is the owner of the capital.

If the owner of the company (in bad faith) liquidates it, suspends its activity before the expiry of its term or before the realization of the purpose for which the company was created or mixes its own business with the company's business, he is responsible for all the company's debts and obligations in his own funds, i.e. his limited liability is transferred to an unlimited liability extending his private money after the company has run out of assets.

Inspection of companies (Rummage)[83] :

The competent authority, whether the Ministry of Trade and Industry for private companies or - The General Authority for the Capital Market of Muscat for government or semi-governmental companies, has/have the right to conduct inspection to their subsidiary company at any time to monitor (check, detect) to the extent of its compliance with the provisions of the law, and the employees of the competent authority assigned to the inspection have the authority of judicial control for crimes that fall from the company or its employees in violation of the

[83] Article (298):of the act .

provisions of the commercial law and its executive regulations. The decision of the inspection shall be issued upon the request of the partners or shareholders holding 20% of the company's capital, or by decision of the competent authority without request.

Section (4)

Chapter (i)
Law issued by Royal Decree No. 3 of1974

Branch (1):
Commercial Registry

Commercial Registry shall be established in the Ministry of Trade and Industry[84], which entrusted with maintaining a registry called the Commercial Register in which information related to trade, companies, and general legal persons shall be recorded in accordance with the provisions of this law.

The commercial register is considered a publication tool[85], and is used as a guide to prove the correctness of the information and data registered in it and a reference for the court and the judicial authorities. Any person may obtain the data registered

[84] Article (1): of the act.

[85] Article (2) of the act.

in the record of any company in accordance with the law.

The Commercial Registry in Muscat is the center for the commercial registry, and it is possible by a decision of the Minister of Development to establish regional trade registration in the states of other regions specified by the law.

Data that must be included in the commercial register: The following must be registered in the commercial registry:

A- The names of merchants whose main business center is in Oman.

B- The names of the commercial companies whose main business center is in Oman

C- The branches and agencies established in Oman by merchants or commercial companies and their main business center abroad.

D- The branches and agencies established in Oman by merchants or commercial companies whose main business center is in Oman but registered in an area that does not include - from an administrative point of view - these branches or agencies.

E- General legal persons undertaking a commercial activity.

Branch (2):

Capital Market Law

issued by Royal Decree No. 80 of 1998

This law included definitions of the terms used in it, and the most important of these terms are:

A- The Authority (corporation): It means the General Authority for the Capital Market in Oman.

B- Market: It means Muscat Stock Exchange market.

C- Securities: It means shares and bonds issued by joint stock companies, bonds issued by the government, treasury bonds, bonds and any other securities that are tradable in the market.

D-Dealing in securities: Means the purchase and resale of securities whether sold directly or through mediation or transfer of ownership of this property.

E-The hall (Room): It is meant for the place allocated within the market to carry out the sale and purchase of securities.

Restricting and registering transactions:[86]

All transactions in securities are restricted and registered in a market called Muscat Stock Exchange. This market has a legal personality and is based in Muscat City, and the market is affiliated with the Authority and it is committed to provide the Authority with data on securities that have been registered in the market and periodic reports on its trading.

The transaction of securities is limited to the Sultanate of Oman jurisdiction within the market hall (Room) and falls into the void of any transaction conducted outside it without the express permission of the Authority.

The personal rights and obligations[87] between the seller and the buyer of securities (commercial papers) which were traded on the market must arise on the same date of the contract of sale. The ownership of the shares shall be transferred by proof in the records of the competent issuer of the securities and registered in the shareholders' register.

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[86] Article 9: of the act.

[87] Article (22) of the act.

The General Authority for the Capital Market:

A public body called the Capital Market Authority is established with its headquarters in Muscat and is affiliated with the Minister of Trade and Industry.

The Authority has, the legal personality, the financial and administrative independence, and is exempt from all fees and taxes.

The Authority functions shall include: [88]

A- Regulating, licensing and monitoring the issuance and trading of securities.

B- Supervising the Muscat Stock Exchange.

C- Supervising all companies working in the field of securities.

D- Supervising public shareholding companies.

E- Supervision of insurance companies.

F- Licensing and regulating credit rating companies.

G. Licensing and regulating private purpose companies.

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[88] Article 48: of the act.

The objectives of the Authority [89]

The aim of the Authority is to:

A- Improve the efficiency of the financial market and protect investors from unfair and improper practices.

B- Allow the opportunity to invest savings and money in securities in the interest of the national economy.

C- Regulate and monitor the issuance of securities in the market and determine the requirements to be met when offering securities for subscription.

D- Facilitate and speed in liquidating the money invested in securities; protecting small investors by providing supply and demand opportunities.

E- Collect information and statistics on the securities being dealt with and publishing information and reports about it to the public interest.

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[89] Article (49) : of the act .

Chapter (ii)
(1): The Commercial Agencies Act issued by Royal Decree No. 26 of 1977

Branch (1):
The trade Agency

Definition of Trade Agency: [90]

Each agreement means that a The foreign merchant, the foreign commercial company, or the owner of foreign production or supplier outside Oman is entrusted to one or more merchants or companies in Oman by selling, promoting or distributing (his/her/its) goods and products or providing services - whether as an agent, trade representative, broker- for the product of the original supplier, provided that

[90] Article 1: of the act.

the original supplier does not have a legal presence within the Sultanate, and that the agent's work shall be for a commission or a percentage of profit.

Terms of the commercial agent: [91]

Anyone who exercises a commercial agency, whether a merchant or a trading company, must meet the following conditions:

First: the trader:

A- Be an Omani national residing in Oman.

b – Not less than 18 years of age.

C- His name must be registered with the Commercial Register; a member of the Oman Chamber of Commerce and Industry and the headquarters of his main work is in Oman.

D- He should not have been sentenced to bankruptcy, cheating on goods, price manipulation or convicted of a crime that affects honour and reputation.

Second: The Company:

A- To be registered with the commercial register and to be its main center in Oman.

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[91] Article 3: of the act .

B- Oman's share of the company's capital is not less than 51%.

C- One of its purposes should be to carry out import business and commercial agencies.

Third: Terms of contract of the commercial agency:

To be certified and approved by the Oman Chamber of Commerce and Industry, and the contracts concluded outside the Sultanate are ratified by the party specified by the regulations (Department of Documentation at the Foreign Ministry).

The contract should include the following:

A- The name of both the client and the agent, their nationality and the trade name of the agency, if any.

B- Goods, services and any money covered by the agency.

C- The rights and obligations of both the client and the agent.

D- Agency duration and agent area.

E- The agency's contract must be registered in the register of agents and commercial agencies in the Ministry of Trade and Industry, and no agency is recognized if it is not registered in this register.

Commercial Dispute Resolution Committee: [92]

The Commercial Dispute Resolution Authority is competent to examine all matters and disputes between the client and the agent concerning the application of the provisions of the agency's contract and may decide and determine the appropriate compensation; guided by commercial, global and local customs and rules of justice and fairness unless the parties agree to resort to arbitration.

Comparison between: the agency with commission – and- contract agency

No	The aspect of comparison (The criterion)	the agency with commission	contract agency
1	Contract area.	In the field of distribution of products and the purchase of production supplies and in transport) the two	A contract between the agent and the foreign or national producer to conduct business

[92] Article (18): of the act.

		parties inside the country)	(agency or distribution) in exchange for a portion of the profit or commission or facilities, including transport agencies of all kinds.
2	The method of contracting.	The agent contracts in his name for his client's benefit.	The client is contracted directly and the agent's job is to promote the service or product only.
3	The appearance of the agent for others	He looks like a real owner in front of others.	The legal status of the agent must be announced.
4	The government's policy	It is based on confidentiality and the name of the client	Dealing in public is not covert and the name of the

		may not be revealed.	client must be revealed
5	Agent Guarantees.	He has the right to lock up the items in his hand for his unpaid wages, and the items held in court can be sold; his right is taken from the court by ordinary creditors because it is an excellent commercial debt.	No guarantees for the contract agent to meet his right and he is considered a regular creditor.
6	The relationship between the client and the other.	There's no direct relationship between the third party and the client.	There is a direct relationship because the contract is between the

			third party and the client and not the agent
7	Agency end	Ends with death or denial of disposal or bankruptcy.	Ends with death or denial of disposal or bankruptcy.
8	Legal reference	Commercial agency act.	Commercial agency act.

Branch (2):

Provisions for the Signing of Foreign and Internal Financial Transactions / issued by Royal Decree No. 48 of 1976

Except for what is signed by His Majesty the Sultan or who is authorized by His Majesty to sign a written authorization, all contracts and obligations concluded in the name of His Majesty (the Sultan) or on behalf of the Government of the Sultanate are not reliable and do not produce their effect unless signed in accordance with the provisions of this decree as follows.

A- Contracts or obligations worth 250,000 Ro and more must be signed by the competent minister, the head of the relevant government unit or the head of the authority or whosever authorized to write a special mandate, and any contract or obligation up to 500,000 Ro, or more must be signed by the minister supervising the Ministry of Finance or who is authorized by the minister in writing.

B- Contracts and obligations worth 100,000 Ro and less than 250,000 Ro must be signed by the competent minister, the head of the unit, the chairman of the board of directors of the authority, or those who are authorized by any of them in a written general mandate.

C- Contracts and obligations worth 50,000 Ro and less than 100,000 Ro to be signed by the competent undersecretary or director general of the authority or whoever delegates a special mandate.

D- Contracts and obligations worth less than 50,000 Ro must be signed by the competent undersecretary of the ministry or the director general of the authority or who is delegated by any of them in a written general mandate.

Note: The signing of these contracts and obligations by the officials mentioned is an affirmation and presumption of the validity of following the procedures and observing the conditions and rules stipulated in the government tender law and regulations and on the existence of funds and financial allocations in the general budget and included in the approved plan for disbursement.

Chapter (iii)
Tender law and Foreign Capital Investment Act

Branch (1):

Tenders Law / Decree No. 36 of 2008

This Decree includes important terms such as

Bid [93]: meaning the offer made in the tender, practice or competition.

Council: means the Tender Council.

The competent authority: means any government unit or company subject to the provisions of this law

The provisions of this law apply to the units of the administrative apparatus of the state and public bodies and institutions, with the exception of the security and defense units and units that apply the law of the financial system of the royal tiles Diwan.

Contracting supplies or carrying out works or transporting or providing services, consulting studies,

[93] Article (1): of the act.

technical works and the purchase and rental of immovable property through public tenders, however, may be contracted in any of the following ways[94].

1- Tenders Limited **2- Practice**

3 - Direct Commissioning **4 – Competition**.

Provided that all these methods are subject to the principles of:

Openness, equal opportunity, equality and freedom of competition in accordance with article)4(.

Employees of government units subject to the provisions of this law and their spouses and relatives up to the second degree may not submit[95] direct or indirect bids or offers to those entities.

1- Tenders Limited:

The responsibility of all tenders[96] : The responsibility of all tenders in the Sultanate is on behalf of tender council, which is issued by a Sultan's decree, to deal with the following:

A- Determining the method of bidding.

B - Forming tender committees throughout the Sultanate and determining their powers

[94] Article (3) of the act.

[95] Article (6): of the act.

[96] Article (8): of the act.

C- Adopting the regulation that determines the general conditions for the classification and registration of suppliers, contractors and investment offices.

Public Tenders Means[97] the set of measures announced in accordance with the provisions of this law and its executive regulations, which may be domestic or international.

International institutions not registered in Oman have a right to participate in international tendering, while the local tender is a tender in which participation is limited to persons registered in the Omani Commercial Register.

The[98] preference between tenders to choose the best bid is conducted in accordance with the technical and financial criteria and the grounds specified in the tender documents. If the concerned entity of the government unit considers the exclusion of one or more tenders, its opinion must be written and reasoned, and the Board is not bound by the decision to assign less or any other bid.

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[97] Article (16): of the act.

[98] Article (31) of the act.

Giving preference to the national product in local bidding [99]: That means In bidding for national products or for small and medium industries if they meet the requirements and specifications. This preference includes the preference price within the limit of an increase of 10%

The tender shall be re-tendered if a single tender is received[100], even if it meets the requirements, and the tender is considered sole even if other tenders are received in violation of the terms and specifications of the tender. The tender can be converted into practice with the sole bidder by decision of the Board if there is no benefit from the rebidding.

The Council must exclude the tender by a reasoning decision in any of the following **cases**:[101]

A. If the public interest requires it.

B- If it does not meet the conditions and specifications.

C- If the bidder is not registered in Oman (except international tenders).

D. If the bid is not accompanied by temporary insurance.

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[99] Article (36): of the act.

[100] Article (37): of the act.

[101] Article 41: of the act.

E- If the bidder does not prove the integrity of his financial position.

F. If the tender documents submitted are not signed and not sealed or approved by the provider.

G- If a final ruling is issued for bankruptcy or insolvency of the bidder or judicial proceedings are taken against him for this reason.

H- If the tender involves a violation of royal decree No. 39 of 1982, which aims to protect public money and avoid conflicts of interest.

Limited Tender: [102]A tender that is in cases of a condition that requires the participation of suppliers, contractors or consultants predetermined, whether in Oman or abroad, provided that they meet the conditions required for the contract.

2-Practice:

Practice: Means[103] to buy items, carry out works, transport or provide services or advisory studies and works of art through practice by negotiating for the best offers (at the highest- lowerest) prices in special cases such as:

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[102] Article 47: of the act .

[103] Article 50:of the act .

A- Items that are monopolized to be made or imported or which are not found except by one specific person.

B- Items that cannot be identified with precise specifications and their purchase depends on their inspection.

C- Business, services or consulting that require certain technical capabilities and knowledge or specialty.

D- Buying animals, birds and poultry.

E- Supplies, contracting, transportation and the provision of services for which no tenders have been submitted and the urgent need for them does not allow for the re-tendering.

F- Supplies, contracting and transportation that require (state of urgency) not to follow the tender procedures.

3-Direct attribution (Commissioning): [104] In special cases, the Council may contract directly to carry out work or obtain technical or advisory services or supplying items or tasks. The concerned authorities may contract in the range of up to **10**,000 Ro with any supplier, contractor or consulting office, with the

[104] Article 54: of the act.

prices being appropriate and the reasons for it being indicated.

If necessary, the contract can be increased to RO **25**,000.

4-Competition:[105] Is a special method of contracting for the purpose of conducting studies, designs, models or other works of art necessary for a particular project.

The relevant entity determines the purposes, scope, specifications, awards or rewards allocated to the winners, and any other conditions it deems necessary.

The Committee shall write its procedures in a minute siting the submissions and opinions and criteria adopted in the preference (trade-off) between them and its recommendations to select the winners and arrange other offers. The Committee shall submit the minutes including these recommendations and attach the presentations to the Council for the issuance of the decision.

[105] Article 57 of the act.

Branch (2):

Foreign Investment / Foreign Capital

Investment Act: Decree No. 50/ 2019

This Decree includes important terms such as:

The Authority: It means the General Authority for The Promotion of Investment and Export Development in Oman.

The center: It means the Investment Services Center in the Ministry of Trade and Industry.

Foreign investment: It means the use of foreign direct capital invested to create, expand, develop, finance, manage or own an investment project.

Investment project: It means any economic activity held by the foreign investor alone or with the participation of another foreigner or Omani in Oman.

Foreign Investor: It means non-Omani, whether he is a natural person or a legal person who establishes an investment project in Oman.

Foreign capital: It means all kinds of funds and assets that are included in the investment project of any kind and have material value.

Prohibitions:[106] It is forbidden for a foreigner, whether a natural or legal person, to engage in any investment activity within the Sultanate unless it is in accordance with the provisions of this law.

Facilities:[107] It means that the center must registers the foreign investor , facilitates and simplifies the procedures for obtaining all the approvals, permits and licenses necessary for his investment project.

The foreign investor:[108] Should adheres to the schedule provided by him for the implementation of the investment project approved in accordance with the economic feasibility study and does not have the right to make any substantial adjustments to the investment project until the approval of the Ministry is obtained.

The foreign investor is obliged to respect all national laws and is prohibited from carrying out any activities for political or religious purposes, leading to discrimination between citizens or residents or affecting public order or public morals. Foreign Investment Incentives: The investment project enjoys all the advantages, incentives and guarantees

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[106] Article (3) of the act .

[107] Article (5) of the act .

[108] Material (7): of the act .

enjoyed by the national project in accordance with the laws of the Sultanate.

Investment guarantees:

A- It is not permissible to confiscate any investment project, seize its money or freeze it or impose a guard on it except by a judicial decision.

B. The investment project may only be expropriated for the public benefit in accordance with the expropriation law and in return for a fair compensation estimated at the time of removal. The compensation must be paid without delay.

It is not permissible[109] for the competent authorities to cancel the approval or license issued for the investment project except by a reasoned decision, and after the foreign investor is visited in writing for the offense attributed to him to hear his point of view and give him 30 days to remove the reasons for the violation. In all cases, the approval of the ministry must be taken before cancellation.

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[109] Article (25):of the act.

Section (5)
Business in Islamic Law

Chapter(i)
The concept of trade in Islam and its controls, legitimacy and morals

Branch (1):

The concept of trade in Islam:

Trading in Islam is based on the concept of profit, which is based on reasonable rather than excessive or obscene profit; and therefore, the rule of lifting the obscene injustice from the injured has been adopted and has become an acceptable legal rule in the fields of both business and civil law. The commercial courts rarely accept the defense of the defect option presented by the buyer if he is a merchant because the commercial courts assume the presence of experience in the personality of the trader because of his professionalism in the trade profession. However, the

mere claim that there is an obscene injustice in the commercial transaction is worth drawing attention to the damage done to one of the parties and in violation of the provisions of the Sharia (no harm ….) by inflicting harm on others. Trade in Islam has principles; that is, Islam has forbidden the principle of cheating in trade because Allah does not bless the goods which are counterfeit nor does He bless the money that is gotten through fraud.

Branch (2):
Trade Controls in Islam

The Islamic law requires every trader to learn the Islamic rules for sale and purchase: Calipha Omar was roaming the market and hitting some merchants while saying: "The sales in our market are only for those who have learned the Islamic rules, otherwise they will eat riba”. Islam jurists say: “The councils of Islamic sciences are halal and haram in how to buy, sell, pray, fast, resonate, divorce, pilgrimage and such. When traveling for trade in the old days, the merchants used to ask one of the fuqaha' to travel with them.

Branch (3):

The legitimacy of trade in Islam

Islam advises merchants to avoid the cause and forbidden reasons for acquiring money, such as riba and gambling, but transactions by mutual consent are valid and legitimate.

In Islam, selling is halal and riba is haram: it is stipulated that the sale things must be owned by its owner, that it is located in fact or a ruling at the time of the contract, that it should be a legitimate money, i.e., it has value in Islam. It is permissible to use money, and it is possible to be delivered and known. The validity of the sale requires that the contract be free of ignorance, coercion and jealousy, and that it should be free of the corrupting conditions of the contract. Moreover, it is valid to sell at a price that will be paid immediately or give the buyer a fixed period of payment.

Branch (4):

The field of trade in Islam:

Is the field of goodness: good things are the best things in themselves, such as good foods that do not corrupt bodies and do not harm minds, good dress without extravagance, good behaviors that are not assaulted, and not relented or betrayed, and other things that are good in themselves and obtained in a good way without any assault or rape.

Religion forbids immorality, which is harmful to the bodies themselves, such as pig, the dead, blood shed or brain damage, alcohol, spreading animosity and hatred among people, or attacking the right of others to steal, rape or kill.

Chapter (ii): Ethics of trade in Islam

Mention (the Name of Allah) when entering the market and create good morals such as honesty, performance of commitment in contracts and good treatment, and leave the procrastination in the payment of debts and the performance of rights to their owners and other good morals are all required of the Muslim in general and the Muslim merchant in particular.

Good treatment in sales: In claiming the right and in litigation.

Honesty and statement: Because the parties to the contract have the right to choose the defect unless they finish the board of the contract and avoid ingratiating by God during the sale.

Documenting transactions by writing: writing and documenting contracts of various kinds.

The terms of the trader in Islamic law:

The conditions required for the Muslim merchant are different from those required by law, where Islamic law focuses on the refinement of the trader's spirit and inner conscience before restricting the trader with procedural restrictions. The conditions are:

A- He should trade in permissible matters and not trade in what is haram, such as alcohol.

B. Do not cheat or betray.

C. Don't falsely swear.

D. Do not raise prices.

E. His trade should not distract him from his religious duties.

Such as mentioning the name of Allah, prayer, zakat, hajj, filial piety, fostering family kinship ties, and doing work for charity.

F. Not to monopolize: Because monopoly is forbidden.

The end of the Book.

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17- Trademarks Regulation of the Gulf Cooperation Council (GCC) Act issued by Sultan's Decree No: 33 of 2017

18- Oman Chamber of Commerce and Industry Act issued by Sultan's Decree No: 45 of 2017.

About the Author



First: General Information:

Name: Osman Ahmed Osman Aloub
Date of birth: 22/11/1968
Nationality: Sudanese
E-mail: 1- osmanss1968@gmail.com
2- osman.a@uob.edu.om

Second: Educational Qualifications:

1- PhD: Omdurman Islamic University (General Principles for Foreign Companies in Sudan) Comparative Study. excellent grade. 20/10/2009

2- Master of Private Law, University of Juba with excellent grade. 18/1/2006

3- Master of Shari's Law (Legal Transactions + company Law), University of Khartoum, with excellent grade, 13/11/2000

4- High Diploma, University of Khartoum, Faculty of Law, 18/3/1995

5 – bachelor of law, University of Khartoum. Faculty of Law 14/2/1993

Third: Experience:

1 - Teaching at the International University of Africa, College of Sharia and Islamic Studies, Cooperating for the years 2011 to 2013.

2 - Teaching at the University of Gedaref: Faculty of Economics collaborator for the years 2001 to 2008.

3 - Contracted with Buraida colleges –Saudi Arabia- from 2015 up to 2020.

4. Advocate: from 1994 until 1997.

5. Legal Adviser and Deputy Attorney (ministry of justice –Sudan- from 1998 to 2010.

6 - Legal adviser (degree minister) from 2010 to 2012 - the Eastern state (Gedaref).

7-Registered Lawyer and Legal Adviser to several private companies (Al-Taawun Mining Company) (Kassala Mining Company KS5) (Haypton Copper Mining company).

8-Assestant professor, Al Buraimi university from February 2020

Fourth: Participation in internal and external training courses:

1. Training course on legislation drafting techniques (Ministry of Justice) 2007

2- Training course on government administration in the Kingdom of Jordan 2006

3 - Training Course in Service Strategies and Competency Management at - United Arab Emirates - Dubai 2008

4- Training role on local government and peace agreements 2007(Khartoum-Sudan).

5- Training course titled "Legal and Procedural Mechanisms for Controlling Public Funds" - Federalism and Capacity Building Center (Sudan 2010)

6. Leadership development course in the shadows of training and consulting (Khartoum-Sudan).

7. Protection from Potential Violence -at Friedrich Ebert Foundation + Al Shariqa Legal Aid Center 2010

8 - Quality Course - African international University 2015.

Fifth: Published Books and Research:

1- Introduction to English Law, and legal drafting skills (Book) Saudi Arabia2018.

2- Research title: (The Legal rules for the reservation of commercial vessels) study on the applications of court decisions 2018.

3- Research title: The impact of dispute between commercial company partners on the company's life, study on the applications of court decisions 2019.

4- Research title: The impact of discrimination between civil acts and commercial acts, study on the applications of court decisions 2020.

Edited by:
Alaa W. Youzbashi
B.A. (English Language & Literature),
M.A. (Linguistics)
alaa.youzbashi@outlook.com

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